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GOVERNMENT REJECTS U.S. ROLE IN TRADE MEETING

OW130909 Tokyo KYODO in English 0818 GMT 13 Jan 84

[Text] Tokyo Jan 13 KYODO -- Japan turned down a U.S. request Friday for American participation in deliberations of the Industrial Structure Council on ways to salvage declining industries.

International Trade and Industry Minister Hikosaburo Okonogi casually refused the request made by Lionel H. Olmer, undersecretary of commerce for international trade, during a meeting at the ministry. Olmer is currently in Japan to "study" Japan's depressed and basic industries and explore the possibility of expanding U.S. exports and investment in those industries. Additionally, a ministry official said Olmer told the new MITI minister Washington is concerned about Japanese policies regarding value added networks (VAN) and computer software.

Olmer requested permission for the participation of U.S. citizens in deliberations of the council, a powerful advisory body to the MITI minister, to obtain "accurate information (on how Japan assists structurally declining industries) quickly," the ministry spokesman quoted him as saying. Okonogi said he has no plans to appoint foreign nationals to council membership and advised Olmer to discuss the matter with his subordinates. All council members at present are full-time or part-time Japanese public servants.

The MITI minister also said that the Japanese program to aid declining industries is not aimed at limiting imports but is in line with positive adjustment policy (PAP) supported by the Organization for Economic Cooperation and Development (OECD), the ministry spokesman later told reporters. Olmer insisted that the United States is seeking a "transparency" of the Japanese program so that it would be easily understood by foreigners, one of purposes of his current visit to Japan.

In response to growing U.S. concern about Japan's computer software legislation, Okonogi proposed to Olmer that experts of both countries hold talks on the subject, according to the spokesman. Olmer conferred with Posts and Telecommunications Minister Keiwa Okuda on the VAN issue earlier in the day and obtained a vague pledge from Okuda for completely free VAN services in the future. The computer software issue was raised Thursday by U.S. Ambassador Mike Mansfield when he met with Okonogi.

Okonogi also told Olmer he will visit Washington later this month for talks with Commerce Secretary Malcolm Baldrige and other U.S. leaders prior to a three-day quadrilateral trade ministers conference in Florida. Olmer held talks with Foreign Minister Shintaro Abe later in the day and, according to Foreign Ministry officials, referred to the same matters he discussed with Okonogi.

COMPROMISE ON U.S. BEEF, CITRUS PREPARED

OW141543 Tokyo KYODO in English 1204 GMT 14 Jan 84

[Text] Tokyo Jan 14 KYODO -- The Ministry of Agriculture, Forestry and Fisheries is preparing a tentative plan to increase the current annual import quota of beef from the United States by about 5,000 tons and the quota for citrus fruits by about 6,000 tons, according to ministry sources.

The ministry has started consultations with the ruling Liberal-Democratic Party prior to Japan-U.S. negotiations on the problem, scheduled for January 20-21 in Tokyo.

The U.S. side will demand a sizable increase in quotas for the two items during the Tokyo talks, which follow similar negotiations conducted in Washington last October. Japan and the U.S. have already reached a broad accord for settling the issue by the end of March, when the current bilateral agreement on the quotas expires.

Under the current accord, quotas for U.S. beef are set at 30,800 tons and those for citrus fruits at 82,000 tons. During the previous talks in Washington, the U.S. demanded a 45 percent annual quota boost for beef and a 25 percent increase for citrus fruit. The Japanese side then offered an increase of 3,300 tons for beef and 5,000 tons for citrus fruits, but the talks ended without agreement. The ministry wants to reach a compromise in the forthcoming talks, which it regards as a crucial stage in negotiations on the problem, the sources said.

In preparing the tentative plan, the ministry said it is the maximum compromise that can be taken without plunging domestic supply and demand into confusion. The Foreign Ministry also fears that a deadlock may lead the U.S. to file suit with the General Agreement on Tariffs and Trade (GATT), thereby casting a cloud on Japan-U.S. relations in general.

U.S. Ambassador to Japan Mike Mansfield recently met Agriculture, Forestry and Fisheries Minister Shinjiro Yamamura and asked Japan to double its efforts to open the Japanese market wider for farm products.

#### CANADIAN TRADE MINISTER FORCASTS MORE INVESTMENT

OW131215 Tokyo KYODO in English 1137 GMT 13 Jan 84

[Text] Tokyo Jan 13 KYODO -- Canadian Industry, Trade and Commerce Minister Ed Lumley characterized a Japanese auto industry plan to set up a 4 million Canadian dollar investment corporation in Canada this year as a positive step, and suggested another 200 million dollars in Japanese auto money may be forthcoming in 1984.

Meeting with reporters in Tokyo at the end of his week-long visit here, Lumley said he could not give details of the additional investment but that he had "eight or nine" proposals from different Japanese auto firms which he felt had a good chance of resulting in investment in Canada. Lumley, who met with most of the chief executives of the major Japanese manufacturers and several from parts companies, said the 200 million dollar figure he mentioned was not in the parts sector, but he refused to be more specific or to speculate on the number of jobs that could be created if the proposals do go ahead. "There has been a substantial change in the response we've had this time and I am encouraged," Lumley said.

The Japanese, who in the past have often suggested Canadian companies cannot compete in the global auto industry, have changed their perception and now feel there are several areas where they could invest "fruitfully" he said. "Some of those proposals may never get off the drawing board of course, but I've always been convinced that once they (the auto industry) see the benefits of investing in Canada, it could be like a snowball rolling downhill."

Most of the proposals would have to be studied in detail and concessions to attract investors may have to be worked out among various Canadian agencies, but he reiterated that the proposals were serious.

Progress was also made in getting the Japanese to procure more parts in Canada and Lumley pointed out that for the first time, the powerful Ministry of International Trade and Industry had offered solid backing to his call for more interest in Canada.

"It was a very good reception and (MITI Minister Hikosaburo) Okonogi has encouraged the Japanese to invest in Canada's automobile industry. I am very confident we are going to be successful in this regard." Lumley returns to Canada Saturday.

#### HEAD OF INVESTMENT CONSORTIUM LEAVES FOR IRAN

OW131237 Tokyo KYODO in English 1211 GMT 13 Jan 84

[Text] Tokyo Jan 13 KYODO -- Ren Takemura, head of Japan's five-company investment consortium for a mammoth petrochemical project in Iran, left for Tehran Friday evening to prepare for resumption of work on the petrochemical complex, suspended since September, 1980.

The visit of Takemura, president of Iran Chemical Development Co. (ICDC) of Tokyo, will move the project toward full-scale resumption, Mitsui and Co., the leader of the investment group, said. About 20 Japanese engineers are already at the construction site in Bandar Khomeyni in southern Iran to check damage caused by the Iran-Iraq war.

The Japanese investors will gradually increase the number of engineers at the site to resume construction work. The project has been stalled owing to the Islamic revolution in Iran and the subsequent outbreak of the Iran-Iraq war. Recently, however, ICDC and Iran reached agreement on resumption of construction work after ironing out differences over the knotty issue of funding.

#### NAKASONE FAVORS DIRECT NORTH-SOUTH KOREAN TALKS

SK131138 Seoul YONHAP in English 1134 GMT 13 Jan 84

[Text] Tokyo, Jan 13 (HONHAP) -- The Japanese Government's basic policy regarding the Korean question is that it should be settled primarily by direct talks between South and North Korea, Japanese Prime Minister Yasuhiro Nakasone said Friday.

Nakasone was commenting on a proposal for a six-party meeting on the Korean problem, during a news conference at the Japanese Journalists Club here. Japan is, he said, not in a position to say anything about a formula for the settlement of Korean issue because it is neither a party to the 1953 Korean truce agreement nor was it requested to play a role in it.

However, Japan hopes to contribute to the solution of the problem if requested, because this nation has shared interests in the peace and stability of the Korean peninsula, he said.

Saying the international situation surrounding the Korean peninsula begins to show signs of change this year, Nakasone stressed that Japan will build up its national and international image by maintaining the continuity of its diplomatic and defense policy and contributing positively to the world community with the backing of economic strength.

Meanwhile, Foreign Minister Shintaro Abe, following a Cabinet meeting Friday, indicated that Japan would consult with the United States and China on the proposal for a six-way meeting when he visits Washington late this month and when Nakasone visits Beijing in March. Participants in the six-party talks are the United States, China, Japan, the Soviet Union in addition to South and North Korea.

MSA CAPTURES SOUTH KOREAN FISHING BOAT

OW140612 Tokyo KYODO in English 0553 GMT 14 Jan 84

[Text] Yonago, Tottori Pref., Jan 14 KYODO -- A Japanese Maritime Safety Agency (MSA) patrol boat Friday captured a South Korean fishing boat for illegally operating in Japan's territorial waters, agency officers said Saturday.

The officers said the 41.71-ton No 11 Ashin with 12 fishermen under captain Yang Kon-chin was seized 51 kilometers northwest of Hinomisaki Cape near here six-and-a half hours after escaping from the seizure by another MSA patrol boat off Okinoshima Island. The fishing boat was first spotted catching sea eels in the territorial waters Thursday evening, but it fled after damaging part of the MSA boat.

The MSA arrested Yang on a charge of violating the territorial waters and the fishing boat was to be taken to a port in the city of Sakai Minato Saturday afternoon. The officers said the fishing boat was the first to be seized by the MSA this year. There have been many seizures in the past of South Korean fishing boats for similar violations.

DIPLOMAT GIVEN UN POST ON KAMPUCHEA AID

OW140130 Tokyo KYODO in English 0120 GMT 14 Jan 84

[Text] New York Jan 13 KYODO -- U.N. Secretary General Javier Perez de Cuellar Friday named senior Japanese diplomat, Tatsuro Kunugi, presently consul general in Frankfurt, as his special representative for coordination of Kampuchean assistance. Kunugi will assume the new post in February, replacing Robert Jackson of Australia, who will retire in March.

The post of the special representative of the secretary general for coordination of Kampuchean assistance was established in 1980 following the Vietnamese invasion of Kampuchea. Japan is the largest contributor to the assistance to Kampuchea. A total of 106 Japanese officials currently hold positions in the United Nations. Considering the fact that Japan bears the second largest payment share of the U.N. funds following the United States, the number is said to be far below the suitable figure of 173-234. [figure as received].

Kunugi, 49, left the University of Tokyo without a diploma. But he holds degrees from Cornell and Columbia Universities.

TRADE WITH CHINA INCREASES BY 12.8 PERCENT

OW131231 Tokyo KYODO in English 1204 GMT 13 Jan 84

[Text] Tokyo Jan 13 KYODO -- Japan's trade with China increased by 12.8 percent to 10,001 million dollars both ways in 1983, reversing the 14.7 percent drop of the previous year, the Japanese External Trade Organization (JETRO) said Friday.

Exports soared 40 percent to 4,914 million dollars, while imports sagged 5 percent to 5,087 million dollars. As a result, Japan's trade deficit with that country shrank to 173 million dollars from the previous year's 1,841 million dollars, JETRO said, citing Japan's customs clearance statistics.

JETRO predicted that Japan-China trade will hit a new high this year, surpassing the previous record of 10.4 billion dollars in 1981, with both exports and imports expected to establish new records.

The marked expansion of exports in 1983 was attributed to China's stepped-up imports resulting from vigorous investments in basic construction with Beijing's economic policy adjustment now over. It was paced by the record-breaking growth of steel exports, JETRO said. Exports of steel shot up by 73.3 percent to 2,203.92 million dollars.

Another major factor was a fast recovery in exports of machinery and equipment, which soared by 28 percent to 1,378.78 million dollars. By contrast, the drop in imports from China was ascribed primarily to the downtrend of petroleum and coal prices, although textile goods, soybeans and other farm products posted steady gains. Crude oil, the No 1 import item, declined 11.1 percent to 2,080.95 million dollars, although a rise of 2.1 percent was registered in quantitative terms. Coal imports increased a mere 2 percent to 212.94 million dollars, although the quantitative increase was much bigger.

JETRO said that Japan's exports to China will register a double-digit growth this year, although some slowdown is likely. The likely export growth is predicted on the expected sustained growth of the Chinese economy and the uptrend of China's foreign exchange reserves. Imports from that country are also expected to rally thanks to the recovery of the Japanese economy. Therefore, JETRO said, bilateral trade will probably reach about 11 billion dollars, surpassing the previous year's level by about 10 percent.

#### NATION POSTS RECORD TRADE SURPLUS IN 1983

0W130915 Tokyo KYODO in English 0743 GMT 13 Jan 84

[Text] Tokyo Jan 13 KYODO -- Japan chalked up a record trade surplus of 20,454.5 million dollars on a customs clearance basis in 1983, up sharply from a 6,899.9 million surplus in 1982 due mainly to a rapid economic recovery in the United States, the Finance Ministry announced Friday.

Ministry officials attributed the sizable black-ink figure last year to increased exports to the United States and the European Community, both demanding that Japan buy more from them. Japan had record surpluses with the two major trading partners totaling 18,134.6 million dollars in 1981 and a deficit of 10,720.6 million dollars in 1980. Exports last year increased 5.8 percent to 146,932.2 million dollars -- the second largest volume in history -- following 152,030.2 million dollars registered in 1981. Imports decreased 4.1 percent to total 126,477.6 million dollars, due mainly to the reduced crude oil prices, ministry officials said. Exports were calculated free on board (FOB), while imports computed with cost, insurance and freight (CIF) included. Exports to the United States in 1983, which accounted for 29.1 percent of Japan's total exports, rose 17.6 percent to an all-time high of 42,820.8 million dollars, while imports from the U.S. increased a marginal 2.1 percent to 24,686.2 million dollars.

Contributing to the record exports to the U.S. were an 86.8 percent jump in shipments of office equipment including computers and a 12.9 percent increase in automobile exports. Shipments of videotape recorders and electronic components such as semiconductors also remained on the upswing, increasing 72.9 percent and 52.3 percent, respectively. The slight increase in imports to the U.S. was due chiefly to a 93.4 percent jump in aircraft purchases valued at 1,343.4 million dollars, the officials said.

Exports to the EC came to 18,526.0 million dollars for an 8.6 percent gain, while imports amounted to 8,119.0 million dollars, up 7.4 percent. Exports of automobiles, electronic components and office equipment were again credited for the record surplus with the EC as they increased 26.4 percent, 20.9 percent and 61.9 percent. But VTR shipments to the EC declined 16.3 percent, reflecting Japan's voluntary shipment curbs.

The ministry also pointed to a sizable trade surplus of 6,512.7 million dollars with Southeast Asia with exports rising 8.4 percent to 34,550.2 million dollars and imports dropping 6.5 percent to 28,037.5 million dollars.

Japan's trade surplus in December also increased to a record 2,872.1 million dollars from 1,602.7 million dollars a year earlier, according to preliminary figures. Exports last month soared 21.0 percent to 15,221.6 million dollars, while imports rose 12.5 percent to 12,349.5 million dollars.

#### NAHA CEREMONY MARRED BY RIGHT-LEFT CONFRONTATION

0W151005 Tokyo KYODO in English 0914 GMT 15 Jan 84

[Text] Naha Jan 15 KYODO -- Riot police were called to a junior high school as rightists and leftists confronted over the participation of self-defense force members in a coming-of-age ceremony Sunday.

About 300 leftists and pacifists distributed pamphlets in front of the Kyohara Junior High School, charging the Imperial Army killed Okinawans during World War II. The pamphlets said participation in the ceremony of Self-Defense Force members damaged the Okinawan feeling against war. To counter the leftist campaign, rightist groups ran trucks near the school, exchanging angry words with the leftists.

The Okinawa Prefectural Police Headquarters, fearing clashes between the two rival groups, mobilized 200 riot police around the school. No major trouble was reported. About 350 youths, including 54 from the defense forces, took part in the ceremony at the school.

#### VOTERS SEEK INVALIDATION OF 18 DEC ELECTION

0W140518 Tokyo KYODO in English 0325 GMT 14 Jan 84

[Text] Tokyo Jan 14 KYODO -- Voters in Tokyo, Osaka and seven other prefectures across the country Saturday filed suits with three high courts seeking the issuance of a writ on the invalidity of the December 18 general election because of an unconstitutional vote inequality.

Their complaints, filed with high courts in respective regions against election administration committees there, (?say) the votes cast in the House of Representatives election lacked proper weight compared with those in the other constituencies. The suits seeking court injunctions against the lower house election came amid a widening gap of value of ballots.

Last November, the Supreme Court judged a 1-to-3.94 gap in the weight of a vote an "unconstitutional state," in a ruling on a voter complaint about the 1980 lower house election. The disparity in the 1980 election, in which the number of Diet seats was fixed on the basis of the 1970 census, widened to a maximum of 1 to 4.54 by the time the 1980 census was taken.

FURTHER REPORTAGE ON TRIPARTITE TALKS PROPOSAL

## NODONG SINMUN Article

SK150951 Pyongyang Domestic Service in Korean 2250 GMT 14 Jan 84

[NODONG SINMUN 15 January Special Article: "A Rational and Practical Way To Prevent the Danger of War and Protect Peace"]

[Text] On 10 January, a joint meeting of the DPRK's Central People's Committee and the Standing Committee of the SPA proposed tripartite talks, allowing the South Korean authorities to participate in our talks with the United States.

This proposal is an expression of our earnest efforts to solve the serious situation on the Korean peninsula -- where tension is being exacerbated and, in particular, the danger of a nuclear war is increasing more rapidly than at any time before -- by peaceful means such as dialogue and negotiations. It is also a manifestation of our consistent peace-loving stand of remaining faithful to the cause of peace in Asia and in the world. For this reason, as soon as it was made public, the proposal was supported and warmly welcomed by compatriots at home and abroad, and it is arousing sympathy from people in Asia and the world.

The holding of tripartite talks is an urgent demand, necessary for eradicating the serious danger of war prevailing on the Korean peninsula and opening a favorable phase for peace and an independent and peaceful reunification.

The great leader Comrade Kim Il-song has taught: The situation on the Korean peninsula is becoming extremely acute and a dangerous situation capable of triggering a war at any time is being created in our country.

The Korean peninsula today stands at the crossroads of war and peace. With each passing day, the prospects for peace are darkening and only the dark clouds of war, particularly the dark clouds of a nuclear war, are gathering heavily over it. The United States, which schemes to perpetually keep South Korea as its colony and military base, is now beefing up armed forces in South Korea on a large scale, saying that the security of South Korea is directly linked to that of the United States. By shipping into South Korea modern operational equipment and weapons of mass destruction, such as F-16 fighter-bombers, A-10 close support aircraft, and Airborne Early Warning and Command Aircraft, the United States is further beefing up U.S. Armed Forces occupying South Korea while continuously supplying South Korea with weapons, equipment, and technology needed to increase the combat capabilities of the puppet army.

By even deploying in South Korea some 1,000 nuclear weapons and nuclear weapons delivery vehicles of all descriptions, the United States has turned South Korea into a nuclear forward beach for the invasion of the northern half of the Republic and Asia. While continuously introducing more weapons into South Korea, the United States has openly been reiterating its nuclear threats, saying that it would use nuclear weapons if a war breaks out in Korea. In recent months, the United States has been trying to ship into South Korea modern medium-range missiles like Pershing II missiles, cruise missiles, and even the most savage neutron bombs.

In the meantime, the United States has ceaselessly been staging war exercise commotions against us in South Korea and in the areas around it. In recent months, the United States has staged all sorts of military exercises, including an airborne demonstration exercise for air attack in which even the U.S. Pacific Air Force and strategic bombers of the U.S. Strategic Air Force were mobilized, and repeatedly committed military provocations including firing at our side and launching surprise armed attacks by bringing heavy weapons into the DMZ along the Military Demarcation Line.

It is reported that beginning in early February, the United States will stage the "Team Spirit" joint military exercise, which has been staged in South Korea annually, on a larger scale than the one staged last year, which was said to be the largest ever staged. The scheduled joint military exercise -- which is expected to be staged with the participation U.S. and puppet army units some 210,000 strong, including U.S. Army units from the continental United States and those currently stationed in other countries, a surface action group of the U.S. 7th Fleet, and other Air Force units -- is a test war designed to complete combat readiness and in particular, preparations for a nuclear war, as they themselves have said.

In the midst of a rapid expansion of provocative military movements against us, an atmosphere of North-South confrontation and war is being viciously fanned among the South Korean people and anti-Republic commotions are culminating.

While carrying out plans to provoke a new war in Korea, the U.S. authorities are accelerating the maneuvers to fabricate a tripartite military alliance among the United States, Japan, and South Korea, now in its final stage. With this, the U.S. authorities mean to achieve their Korean strategy and, in addition, their ambition of invading Asia in an easy manner by dragging the Japanese Self-Defense Forces into their scheme.

The developments that are unfolding, with South Korea as their stage, show that a war can break out on the Korean peninsula at any time. If a war breaks out in Korea, it will never be confined within the boundaries of Korea, and will eventually develop into a nuclear war. If this happens, not only the Korean people but people in Asia and in the world will be unable to avoid a nuclear catastrophe.

The American people, too, will never be safe. No one can afford to watch from the sidelines this serious development that will jeopardize peace not only in Korea but also in Asia and in the world, and that will inflict a nuclear catastrophe on mankind.

The prevailing situation makes it urgently necessary that we take measures to prevent the approaching danger of a nuclear war and defend peace without delay. This being the case, the most reasonable and practical way to solve the problems is for us to sit face to face and talk with the parties directly responsible for the situation in Korea.

Our proposal for tripartite talks stems from such a practical demand. In order to eradicate the prevailing grave danger of war on the Korean peninsula and solve the Korean question in a peaceful way, the problems with the United States must be solved, above all. This is because the United States bears the unavoidable responsibility of guaranteeing peace in Korea and eliminating the obstacles obstructing reunification.

The United States, with its troops that have been stationed in South Korea for nearly 40 years, is practically the ruler of South Korea, with all real power, such as the prerogative of supreme command, in its hands and is the chieftain who stands in the way of our country's reunification, exacerbating the tension.

Today, the responsibility for having brought the situation on the Korean peninsula to the verge of war rests chiefly with none other than the United States. For this reason, only when we meet directly with the United States and solve the problems can we ease the tension in our country and eradicate the source of war, and can we open a phase for an independent and peaceful reunification.

Herein lies the reason why our Republic has proposed anew the holding of talks with the United States through a joint meeting. Because of the fact that the South Korean authorities, too, are another party responsible for the tension created in our country, we are trying to make our talks with the United States tripartite talks by allowing the South Korean authorities to participate in the talks.

By positively following the United States, the South Korean authorities have ultimately turned South Korea into a U.S. nuclear forward base, strengthened military collusion with Japan, and devoted themselves to pursuit of confrontation with us, while viciously staging anti-Republic commotions backed by an outside force.

When we sign a peace agreement between Korea and the United States [chomi saie pyonghwa hypjong] and then adopt a declaration of nonaggression between the North and the South through tripartite talks, the source and possibility of a war on the Korean peninsula will have been completely rooted out and, therefore, a firm guarantee for the realization of national reunification by peaceful means will have also been provided.

Whether or not we can prevent war in Korea and whether or not we can preserve peace there depends entirely on the U.S. attitude. If the U.S. Government is the least but interested in the peace and peaceful reunification of the country of Korea, it should sincerely respond to our proposal for talks, abandoning its incorrect stand of past days.

Instead of clinging to maneuvers for war and division under the protection of outside forces, the South Korean authorities -- with willingness to provide a turning point for a peaceful reunification of the country by forcing the United States to withdraw U.S. troops from South Korea, by easing tension, and by eliminating the state of military confrontation -- should positively respond to our proposal for tripartite talks. This is a demand of the times, and will be beneficial for them as well.

The U.S. and South Korean authorities should not turn a deaf ear to our important new proposition.

#### RPR Central Committee Statement

SK150511 (Clandestine) Voice of the RPR in Korean to South Korea 1000 GMT 14 Jan 84

[Statement issued by the RPR Central Committee on 13 January]

[Text] A joint meeting of the DPRK Central People's Committee and the Standing Committee of the Supreme People's Assembly, which was held on 10 January, adopted letters to the U.S. Government and Congress and to the Seoul authorities [Seoul tangguk] after discussing the matter of taking a new step for peacefully solving the Korean question. This meeting adopted an agenda which envisaged that the DPRK Government would hold a tripartite meeting with the United States and with the participation of the Seoul authorities, and would sign a peace treaty with the United States. This agenda included questions concerning the withdrawal of U.S. forces and nuclear weapons from South Korea and the adoption of a nonaggression declaration to ban the use of arms between the North and South and to reduce armaments. The meeting also advanced a rational proposal for solving the reunification question through dialogue between the North and South, with the elimination of tension as a result of the successful convocation of a tripartite meeting -- a condition for peaceful reunification.

North Korea's recent proposal is a very rational step for alleviating tension on the Korean peninsula and for eliminating the danger of war and is a most practical plan for peacefully solving the question of the country's reunification. Regarding the new proposal for holding a tripartite meeting advanced by North Korea as a very just one that meets the desires of the fellow countrymen and mankind and the requirements of the current situation, which has changed, the RPR Central Committee enthusiastically supports and welcomes it, together with all the people.

Today, eliminating the danger of war, preserving peace, rejecting division, and achieving reunification pose an urgent question for all North and South Korean fellow countrymen and all overseas compatriots -- one that is related to the very existence of the people.

Because of the war policy and maneuvers for division of the U.S. imperialists, however, peace has been gravely threatened on the Korean peninsula, and the country's independent and peaceful reunification -- the supreme desire of the people -- has encountered greater obstacles with the passage of time.

Having held on to South Korea as a colony and as a military base and having been hellbent on implementing a policy for aggression and war, the U.S. imperialists have turned this land into the largest powderkeg and nuclear arsenal in the Fast East. By frantically kicking up northward invasion war racket, they have heightened tension to an extreme degree.

Despite strong objections and rejection at home and abroad, the Reagan administration has led the situation on the Korean peninsula to graver phase by attempting to once again stage this year a joint exercise, which is called "Team Spirit - 84", and which will be the largest nuclear war exercise in history, through the mobilization of a vast number of troops -- over 200,000. As the maneuvers to form a tripartite military alliance among the United States, Japan, and South Korea have become full-fledged in the final stage, the danger of war on the Korean peninsula has quickly increased to an unprecedented degree.

It is very obvious that the development of the current situation, in which the danger of a nuclear war has increased to the point of explosion, will bring indescribable disasters to mankind as well as to our people.

As long as the military occupation of South Korea by the U.S. imperialists and their maneuvers to provoke a war continue, we cannot expect the alleviation of tension on the Korean peninsula and peaceful reunification.

The ending of the occupation of South Korea by the U.S. imperialists and the unstable state of the cease-fire pose a most urgent and prerequisite question regarding preventing a nuclear war on the Korean peninsula, preserving peace, and achieving the country's reunification.

The best way to solve the question of the Korean peninsula, which faces a grave situation, is not to seek confrontation with strength but to hold a tripartite dialogue between North Korea and the United States, the two sides that signed the armistice agreement, with the participation of the South Korean rulers who have heightened tension by kicking up anticommunist and northward invasion rackets. The signing of a peace agreement between Korea and the United States with the convocation of a tripartite meeting and the adoption of a nonaggression declaration between the North and South will basically facilitate realization of a breakthrough in eliminating the source of war and in achieving peace and will firmly guarantee opening of a broad path toward the country's independent and peaceful reunification. Therefore, North Korea's recent proposal for holding a tripartite meeting is very opportune and important both in view of the situation on the Korean peninsula and in light of the will and desire of our people.

Indeed, North Korea's proposal for holding a tripartite meeting has won unanimous support and approval from the people at home and abroad because it reflects a sincere effort to substantially solve the question of the Korean peninsula and an ardent desire to be faithful to the duty of loving peace for the people and mankind. Nevertheless, instead of sincerely responding to North Korea's proposal for a tripartite meeting, the U.S. imperialists and the Chon Tu-hwan ring, while trying to avoid it, have improperly committed acts fanning the sentiment of confrontation and enmity between the North and South.

We demand that the present U.S. and South Korea rulers sincerely respond to the sincerity and generosity shown by North Korea and that they respond to the new, peaceful proposal with no collateral conditions.

The source of war and perpetual division will not disappear automatically. Only struggle can expedite peace and peaceful reunification. The bitter lesson of history -- the lesson of the increase of the danger of war and of the deepening of the annual ring of division -- eloquently proves this.

Holding aloft an anti-U.S. banner of independence, our party and patriotic people from all walks of life will continuously and vigorously struggle to achieve independence and the democratization of society and will more tenaciously carry out the antiwar, anti-nuclear movement to force the U.S. forces and nuclear weapons to be withdrawn from South Korea and to eliminate the dark cloud of perpetual division and a movement to achieve independence and peace.

[Signed] RPR Central Committee

Seoul, 13 January 1984

VRPR 'Dialogue'

SK160518 (Clandestine) Voice of the RPR in Korean to South Korea 1000 GMT 15 Jan 84

[Dialogue between announcers Kim Chol-min and Min Hye-kyong, introduced by unidentified announcer, from the feature "Hour for Youths and Students" program]

[Text] [Unidentified announcer] During this hour, announcers Kim Chol-min and Min Hye-kyong of this broadcasting station will discuss an epochal, nation-saving measure.

[Min] How are you? As has already been reported, a joint meeting of the DPRK Central People's Committee and the SPA Standing Committee, which was held in Pyongyang on 10 January, discussed the question of taking a new measure for peacefully solving the question of the Korean peninsula. Would you briefly explain the contents of the discussion?

[Kim] Based on a comprehensive analysis of the tense situation that has developed on the Korean peninsula, the meeting discussed a measure for opening a favorable stage for peace and the independent and peaceful reunification of the country. The joint meeting advanced a proposal for holding a tripartite meeting by allowing the South Korean authorities -- another party that is responsible for heightening tension today on the Korean peninsula -- to participate in talks between North Korea and the United States. The proposal demanded that this tripartite meeting discuss, above all, the question of signing a peace agreement between North Korea and the United States and of forcing U.S. forces to withdraw from this land. The proposal also demanded that a nonaggression declaration be adopted between the North and South. The joint meeting said that the North and South will hold a dialogue for reunification following the creation of favorable conditions for the fatherland's independent and peaceful reunification as a result of the signing of a peace agreement with the United States and the adoption of a nonaggression declaration between the North and South. It added that the reunification question should be solved at these talks on the basis of the principles of independence, peace, and grand national unity clarified in the 4 July North-South Joint Statement. The joint meeting decided to send letters containing the proposal on the tripartite talks to the U.S. Congress and Government and to the Seoul authorities.

[Min] I believe that North Korea's proposal on the tripartite talks is a new measure, and is just. What do you think?

[Kim] That is right. This proposal is very just, because it is a nation-saving measure designed to meet the ardent desire of the people for preventing the danger of war, which has increased because of the development of the current situation, and for achieving peace and the peaceful reunification of the Korean peninsula. If we held a tripartite meeting, we could alleviate tension on the Korean peninsula and eliminate the danger of war. As you know, tension has been heightened with the passage of time, leading the situation to the verge of war. The chief responsibility for the rests upon the United States, which, seizing the prerogative of supreme command of the South Korean Army, has transformed itself into a substantial ruler by illegally occupying this land for nearly 40 years and by deploying U.S. forces there. Such being the situation, the tension on the Korean peninsula cannot be eased or the danger of war basically eliminated without directly meeting with the United States, a party directly concerned, to solve the question. Therefore, North Korea's advancing of a proposal for talks with the United States constitutes a new nation-saving step, and is very just.

[Min] The proposal on the tripartite talks is an epochal, nation-saving measure, because it will open a broad path toward a dialogue between the North and South for reunification.

[Kim] That is right. The proposal recently advanced by North Korea for holding a tripartite meeting envisages that a peace agreement will be signed between North Korea and the United States and that a nonaggression declaration will be adopted between the North and South. As you know, signing a peace agreement and forcing U.S. forces to withdraw from South Korea are prerequisites to achieving the cause of reunification in a self-reliant manner. Therefore, if a peace agreement were signed at the tripartite talks and if U.S. forces were withdrawn from South Korea, a basic factor threatening peace on the Korean peninsula and hindering independent and peaceful reunification would be eliminated, and a bright prospect for peacefully solving the question of the Korean peninsula would be provided.

Therefore, with the adoption of a nonaggression declaration, another important step would be taken to contribute to achieving peace in our country and the cause of peaceful reunification. It would firmly guarantee peace and security on the Korean peninsula with the withdrawal of U.S. forces from South Korea. In short, a North-South dialogue for reunification would be held with the creation of favorable conditions for the fatherland's independent and peaceful reunification as a result of the signing of a peace agreement with the United States and as a result of the adoption of a nonaggression declaration between the North and South.

[Min] The proposal for holding a tripartite meeting advanced by North Korea has won full support and has aroused stormy repercussions from people from all walks of life, including youths and students, because it is a most just, fair, and patriotic step for peacefully solving the question of the Korean peninsula. Would you explain this?

[Kim] According to reports from organizations of our RPR at all levels, on hearing a news report that North Korea had advanced a proposal for holding a tripartite meeting, youths and students throughout the country fully supported and welcomed this proposal, describing it as an epochal, nation-saving step and as a patriotic plan.

Pak, a Seoul University student, said: It is very just for North Korea to have advanced a proposal on a dialogue. The United States is the source of the heightened tension on the Korean peninsula. It is the ringleader of national division. It is the United States that has substantially ruled South Korea. Only by holding a dialogue with the United States can we substantially provide conditions for peace and peaceful reunification. In saying this, he enthusiastically supported North Korea's proposal for a tripartite meeting.

Kang, a Chonnam University student, described the proposal on the tripartite talks as a patriotic, nation-saving measure representing the stand of our people and our interests in coping with today's strained situation. Miss Sin of Pusan University supported the proposal for the tripartite talks, describing a dialogue with the United States as the only way to favorable redirect today's dangerous trend, which has rapidly approached the verge of war, to peace and peaceful reunification.

[Min] I believe that these remarks not only reflect the long-cherished desire of our college students, but also that of all people who long for peace and peaceful reunification in this land. I also believe that people from all walks of life, including youths and students, should positively struggle to help realize the holding of the tripartite talks, an epochal, nation-saving measure, at the earliest possible date. It is time to close. Thank you.

#### Political Parties Support Talks

SK140457 Pyongyang Domestic Service in Korean 1300 GMT 13 Jan 84

[Text] On 11 January, Yom Kuk-yol, vice chairman of the Central Committee of the Korean Social Democratic Party [KSDP], and Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party [CCP], issued respective statements supporting new measures for a peaceful solution to the Korean question adopted at the joint meeting of the Central People's Committee of the DPRK and the SPA Standing Committee.

In his statement, the vice chairman of the Central Committee of the KSDP noted: The joint meeting of the DPRK Central People's Committee and the Standing Committee of the SPA on 11 January comprehensively analyzed the tense situation created in our country and set forth a new proposal for holding tripartite talks by letting the South Korean authorities participate in the DPRK-U.S. talks to open a new phase for realizing peace in the country and its peaceful reunification.

The KSDP fully supports the proposal for holding the tripartite talks, acknowledging it as a new important step and an epochal measure for national salvation to ease the tense situation in Korea and to achieve a (?turning point) in the country's peaceful reunification.

Today, the Korean peninsula is becoming a place in which the situation is the most strained and acute in the world and a very dangerous region over which the dark cloud of a nuclear war is hanging heavily. South Korea, occupied by the U.S. troops, has been converted into a forward nuclear base where approximately 1,000 nuclear weapons are deployed. In South Korea, provocative military actions and large-scale war drills to attack our Republic have been expanded in a step-by-step way. The "Team Spirit-84" joint military exercise to be conducted this year will reportedly be waged as a test nuclear war on a larger scale than last year's exercise, which was announced as the largest ever in history. In fact, nuclear war is becoming not tomorrow's potential danger, but today's realistic danger in our country.

If this situation continues, even any accidental incident could easily cause a war in our country. The war would go beyond the boundaries of Korea and expand into a total nuclear war and a global war sweeping Asia and the world. In such a case, the United States would not be safe, either, and the world would suffer a nuclear calamity.

Saying that, under this grave situation, problems will be solved not through the method of confrontation, but only through the method of dialogue, he stressed that holding the tripartite talks is the most reasonable and realistic way to peacefully solve the Korean question.

He continued: The proposal for the tripartite talks is another expression of the sincere efforts of the government of the Republic to practically settle problems through dialogue and negotiations by sitting face to face with the concerned sides directly responsible for the current Korean situation.

The ringleader causing the situation on the Korean peninsula to be strained is the United States, which has long interfered in the Korean question, stationing its troops in South Korea and grasping the prerogative of supreme military command. To relax the tense situation in Korea and to peacefully settle the Korean question, therefore, above all [muotboda monjo], problems with the United States should be solved.

The South Korean authorities are another side which has aggravated the tense situation and has created the danger of war by following the United States.

For this reason, concluding a peace agreement between Korea and the United States, discussing the question of the withdrawal of the U.S. troops and nuclear weapons from South Korea, and adopting a declaration of nonaggression, whose key contents are the nonuse of armed forces between the North and the South and the drastic reduction of their armies and armaments, by holding the tripartite talks are extremely just measures.

Stating that the United States and the South Korean authorities should respond to our just and reasonable overture for the tripartite talks, he noted: If they continue to cling to war provocation maneuvers under the excuse of southward invasion while disregarding our proposal, avoid attending a forum for the talks, and run counter to peace and peaceful reunification, they will more clearly reveal their nature as bellicose elements and splittists in the face of the world.

In his statement, the chairman of the Central Committee of the CCP noted: The proposal for the tripartite talks is now arousing great sympathy among the members of the CCP and the Chondoists, together with the Korean people.

On behalf of its members and the Chondoists, the CCP fully supports the proposal of the government of the Republic for holding the tripartite talks, acknowledging it as an important overture that will bring an epochal turn in the struggle to peacefully solve the Korean question.

Stressing the justness of the tripartite talks, he said: The questions of the signing of a peace agreement and of the withdrawal of the U.S. troops from South Korea, which would be discussed between Korea and the United States, and the question of the adoption of the nonaggression declaration between the North and the South at the tripartite talks are the most reasonable and realistic way to ensure durable peace in Korea and to create a guarantee for a peaceful solution to the Korean question.

He stated: The questions of easing the tense situation in our country and of removing the danger of war can be settled only through the replacement of the Korean Armistice Agreement with a peace agreement and the withdrawal of the U.S. troops from South Korea. The U.S. troops stationed in South Korea are not a deterrent to war, but are an everlasting source of war and the basic obstacle to the reunification of the fatherland. What is needed, above all, to change the state of unstable cease-fire in Korea into a consolidated peace and to independently settle the reunification question on the basis of the Korean people's own strength, without the interference of outside forces, is the signing of a peace agreement between Korea and the United States and the withdrawal of all war means, including the U.S. troops and nuclear weapons, from South Korea. In this case, the source threatening peace in our country and blocking the independent and peaceful reunification of the fatherland would be removed, a bright vista for a peaceful solution to the Korean question would be opened, and a good precondition for the normalization of relations between Korea and the United States would be provided.

Saying that, to completely remove the danger of armed conflict in our country and to guarantee consolidated peace in Korea, the adoption of the declaration of nonaggression between the North and the South would be effective, he stressed: Only when the North and South firmly promise neither to resort to armed forces nor to attack the other side, drastically reduce their armies and armaments, and take measures to put an end to the state of military confrontation by adopting the declaration of nonaggression can a decisive phase be opened in realizing peace in our country and its peaceful reunification and a firm guarantee for ensuring peace and security on the Korean peninsula after the withdrawal of the U.S. troops from South Korea be provided.

Noting that the manner in which the U.S. authorities approach our proposal for the tripartite talks will be a clear answer to the question of peace or war and reunification or division, he said in conclusion: The United States should ponder this and respond to our just proposal.

If the South Korean authorities are truly interested in the peace of the country and its peaceful reunification, they should not try, with outside forces on their back, to test their strength with us, but make a resolute decision to create a precondition for peaceful reunification by taking a practical step to ease the strained situation and terminate the state of military confrontation at the tripartite talks.

#### Local Chapters' Activities

SK151355 (Clandestine) Voice of the RPR in Korean to South Korea 0300 GMT 15 Jan 84

[Feature Program "Underground Newsletter"]

[Text] Warmly supporting and welcoming the North's measure for national salvation -- the proposal for tripartite talks -- our party organizations at all levels throughout the country are presently engaged in various activities of giving proper guidance to the party members and broad masses of all walks of life of the proposal as part of an effort to realize the talks at an early date.

According to a newsletter from the Seoul municipal party committee, the municipal party committee, holding a meeting on 11 January, broadly informed the party members and citizens of the North's new proposal to hold tripartite talks. And with activity guidelines worked out to encourage them to demand an early realization of the talks, they sent the guidelines to party organizations at all levels under its purview.

Recognizing the proposal for holding tripartite talks, put forth on 10 January by a joint meeting of the DPRK's CPC and the Standing Committee of the SPA after having discussed some important matters in connection with a peaceful solution of the Korean question, as a new epochal national salvation measure for peace and peaceful reunification on the Korean peninsula and as a practical and just proposition, the meeting expressed full support for it.

The meeting also stressed that raising the party members' and citizens' consciousness so as to have them correctly recognize the substance and justness of the proposal for tripartite talks is a prerequisite and an urgent task to broadly inform the broad range of citizens of the proposal for tripartite talks. To this end, the municipal party committee had copies of the joint meeting's information in relation to the proposal for tripartite talks and copies of letters to the U.S. Government and Congress and to the Seoul authorities distributed to the party organizations at all levels under its purview to make them deeply grasp its substance, while helping the party members raise their consciousness about it by publishing a pamphlet explaining the justness of the proposal for tripartite talks.

Also, the municipal party committee, after having taken such a prerequisite measure, instructed the party organizations at all levels under its purview to actively conduct activities with the people -- to have as many contacts with people as possible and to patiently explain to them the contents and justness of the proposal for tripartite talks -- to make them demand its realization through proper guidance.

Following such activity guidelines provided by the Seoul municipal party committee, the party organizations under its purview are conducting the work of raising consciousness and contacts with the people in various forms in accordance with the geographic conditions and the individual circumstances of the objects, while committing all their energies to an effort to realize the proposal for tripartite talks aimed at opening a new phase for peace and peaceful reunification.

Now, I have news from the Pusan municipal party committee.

According to the newsletter from this party committee, the youths, students and citizens in the city are now raising their voices, supporting and welcoming the North's new national salvation measure -- the proposal for tripartite talks -- and they strongly call for its realization at an early date thanks to the positive activity of the party organizations at all levels and party members under the purview of the Pusan municipal party committee.

On 13 January, a certain ideological circle at Pusan University in which our party member Comrade (Yim Min-chol) participates, held a debate on the theme "The Proposal for Tripartite Talks and Our Stand" and expressed in unison full support for it and welcomed it.

First of all, this debate stressed that the just-published proposal of the North for tripartite talks was a new, epochally significant preparatory measure to solve our country's problems in a peaceful way and noted that the proposal was an expression of the sincere stand of the North which has made every sincere effort possible to achieve peace and an independent and peaceful reunification on the Korean peninsula, rating it as an initiative.

The debate noted that the proposal for tripartite talks is a most opportune and practical step toward eliminating the danger of a nuclear war that has been created today on the Korean peninsula and toward opening a new, favorable phase for peace and the peaceful reunification of the country. It is very just and patriotic in light of the content to be discussed at these talks, in light of the ardent desire of our people for reunification, and in light of the urgent requirements of the contemporary era. The debate described the proposal for tripartite talks as a peace-loving, just, fair and nation-saving measure for opening a new stage of achieving durable peace and peaceful reunification on the Korean peninsula by signing a peace agreement through dialogue with the United States, which is directly responsible for the division of the Korean peninsula and for heightening tension, but discussing the question of withdrawing U.S. forces from South Korea, and by adopting a nonaggression declaration between the North and South.

The debate then demanded that the South Korean ruling authorities as well as the United States immediately respond to the proposal for tripartite talks with a sincere attitude.

The debate adopted an action guideline for exerting every effort to help implement North Korea's new proposal for tripartite talks at the earliest possible date. The debate then decided to briskly carry out many-sided activities, such as indoctrination, the scattering of handbills, and the publication of declarations, to help the broad strata of students and citizens clearly understand the justness of tripartite talks so that they can contribute to implementing the proposal on these talks quickly.

The report said that party organizations at all levels throughout the country, including Kyonggi, North and South Cholla, and North and South Provinces, have positively carried out various activities to support, approve, and quickly implement the new, epochal, and nation-saving proposal for tripartite talks.

#### VRPR on Support of Masses

SK130051 (Clandestine) Voice of the RPR in Korean to South Korea 1000 GMT 12 Jan 84

[Text] Residents throughout the country are supporting the tripartite talks proposal advanced by the North.

A certain Kim, a resident of Seoul's Songbuk District, said: The tripartite talks newly proposed by the North are of great significance in relaxing the tension prevailing on the Korean peninsula and in achieving peaceful reunification.

He further said: I actively support the new proposal for tripartite talks put forward by the North. For nearly 40 years the United States has interfered in Korean affairs, has stationed its troops in South Korea, has seized the prerogative of supreme command over the South Korean Army, and has put South Korea under its control. The United States is, doubtlessly, totally responsible for the dangerous, touch-and-go situation in which a war may break out at any moment on the Korean peninsula. Under these circumstances, unless the Korean-U.S. talks [chomi hoetam] are held, the strained situation that has been created on the Korean peninsula cannot be eased, the source of the danger of war cannot be removed, and a phase for peaceful reunification cannot be opened. By looking directly at the acute reality on the Korean peninsula, the United States should move to respond to the proposal for the Korean-U.S. talks. If the United States were not to show sincerity to the proposal for the Korean-U.S. talks, it would not escape denunciation from the world's people.

A certain Yi, a democratic figure in Pusan, said: I positively support the North's proposal for the tripartite talks. The North proposed tripartite talks in which the questions for concluding a peace agreement between Korea and the United States and for forcing the U.S. troops to withdraw from South Korea would be discussed. This is very just.

The current situation on the Korean peninsula is very unstable. The U.S. troops in South Korea are the source of all misfortunes and suffering of our masses and constitute a danger of the recurrence of war. Under these circumstances, if a peace agreement were concluded and the U.S. troops were withdrawn from South Korea, bright vistas for a peaceful solution to the Korean question would be opened.

Therefore, the United States should show sincerity to the proposal for the Korean-U.S. talks. Otherwise, it will further reveal its nature as an obstacle to national reunification and as an aggressor.

A certain Choe, a dismissed reporter, said: I support the North's proposal for adopting a declaration of nonaggression between the North and the South. A huge number of armed forces stand opposite each other along the truce line. This shows that the possibility of armed conflict cannot be removed completely. This time, the North has called for adoption of a declaration of nonaggression that envisages the North and the South promising not to use armed forces in an attack on the other side and to reduce arms and armies. This is one of the important steps contributing to peace and peaceful reunification on the Korean peninsula. Since the contents of the tripartite talks proposal put forth by the North this time were reported to the world, there have been great repercussions in the form of support for the proposal. This is because the North's proposal is a beneficial overture that will open a path by which a new war on the Korean peninsula can be prevented and peaceful reunification achieved. The rulers of the United States and South Korea should respond to the North's (?epochal) proposal.

ZHAO ZIYANG REMARKS IN WASHINGTON INTERVIEW CITED

SK140025 Pyongyang Domestic Service in Korean 2200 GMT 13 Jan 84

[Text] The 13 January issue of RENMIN RIBAO of China reported that on 11 January, Zhao Ziyang, premier of the State Council of the PRC, now on a visit to the United States, was interviewed by TV reporters of the United States.

According to the newspaper, Premier Zhao Ziyang referred to the question of the reunification of Korea at the press conference. The paper noted that, at the talks with President Reagan, he expressed the desire for the stabilization of the situation on the Korean peninsula. Referring to the tripartite talks proposal advanced by the joint meeting of the DPRK Central People's Committee and the SPA Standing Committee Premier Zhao Ziyang said that the proposed tripartite talks would be beneficial to the stabilization of the situation on the Korean peninsula as well as to the peaceful reunification of Korea, and that China supports the tripartite talks.

In response to a question on China's participation in the tripartite talks, he said that China had not considered it.

PRC, USSR REPORTS ON U.S. SR-71 OVERFLIGHT NOTED

SK120853 Pyongyang KCNA in English 0806 GMT 12 Jan 84

[Text] Pyongyang January 12 (KCNA) -- The XINHUA News Agency reported on January 7 that the senior member of the Korean-Chinese side to the Korean Military Armistice Commission protested against the infiltration of a U.S. spy plane into the air above the territorial waters of our country for espionage purpose on January 7.

The Soviet papers IZVESTIYA, SOTSIALISTICHESKAYA INDUSTRIYA, SELSKAYA ZHIZN and TRUD January 8, under the respective titles "Violators," "Sovereignty Violated," "Provocative Flight" and "Dangerous Provocations," carried the report about the infiltration of the U.S. spy plane into the air above the territorial waters of our country. TASS reported it on January 7.

FOREIGN MEDIA CITED ON 'TEAM SPIRIT-84' EXERCISE

## TASS Denunciation

SK120856 Pyongyang KCNA in English 0814 GMT 12 Jan 84

[Text] Moscow January 10 (KCNA) -- TASS on January 9 denounced the plan of the U.S. imperialists and the South Korean puppet clique to stage the "Team Spirit 84" joint military exercises.

The news agency branded the "Team Spirit 84" joint military rehearsal of the United States and the South Korean puppet clique as a wanton provocation against the Korean people and a challenge to all the peace-loving people. Pointing out that the cause of the present tension in Korea is the United States' continued expansion of its military presence in this area, it said:

Having built large-scale arsenals in South Korea the Pentagon has turned that part of Korea into a military drill ground and nuclear base. Washington does not intend to withdraw its forces from South Korea, but is stepping up war preparation there and crudely violating the armistice agreement, making provocative attacks on the Democratic People's Republic of Korea.

The United States and South Korea do not conceal that the forthcoming provocative "Team Spirit 84" is designed against the Democratic People's Republic of Korea.

The military rehearsal is obviously aimed at whipping up war hysteria and obstructing the peaceful reunification of Korea.

## Further Press Remarks Noted

SK141114 Pyongyang KCNA in English 1055 GMT 14 Jan 84

[Text] Pyongyang January 14 (KCNA) -- Foreign mass media denounced the plan of the U.S. imperialists and the South Korean puppet clique to stage the criminal "Team Spirit 84" joint military exercises.

The Soviet paper IZVESTIYA on January 10 branded the "Team Spirit 84" as a shameless provocation against the Korean people and pointed out that the tension in Korea resulted from the steady expansion of the U.S. military presence in South Korea.

Another Soviet paper, SOTSIALISTICHESKAYA INDUSTRIYA, carried an article to the same effect on January 11.

The Mongolian paper UNEN on January 6 denounced the "Team Spirit 84" as a challenge to all the peace-loving people, saying that it assumes a provocative nature. The Mongolian radio and television also reported it on January 5.

The Afghan paper HEWAT on January 8 noted that this military rehearsal would involve more than 200,000 U.S. and South Korean puppet troops, new-type fighter planes, tanks of various types and ultra-modern combat equipment.

The Danish paper LAND OG FOLK said on December 30: The South Korean tour of Reagan is now showing its effect. The scheduled war rehearsal will prove the aggressive policy of Reagan for increasing the military strength of the U.S. forces present in South Korea. According to a Pentagon spokesman, the United States intends to work out a new strategy in South Korea.

The Indian paper NATIONAL HERALD recently said that the "Team Spirit 84" is a very dangerous war rehearsal against the DPRK for aggravating the tension on the Korean peninsula.

The ADEN News Agency of Democratic Yemen on December 29 hit at the criminal nature of the joint military rehearsal, stressing that it will be a military provocation for increasing the aggression armed forces in South Korea.

KOREANS ABROAD DENOUNCE U.S., CHON 'CLIQUE'

SK130459 Pyongyang KCNA in English 2209 GMT 12 Jan 84

[Text] Tokyo January 9 (KNS-KCNA) -- The January 1 issue of MINJOK SIBO, a newspaper of Koreans under the influence of the "ROK Residents Association in Japan" (Mindan), carried talks issued by Korean figures overseas on the new year 1984.

In their talks they condemned in unison the U.S. imperialists' moves of aggression and war and treacherous crimes of the Chon Tu-hwan puppet clique.

Kang Chong-su, chairman of the "Solidarity Committee of Korean Residents in Australia for Democracy in South Korea," recalled that Reagan showed up even in the Demilitarized Zone south of the Military Demarcation Line in November last year to let out a war-like outburst. "This should be understood as a very insidious signal of the United States for another war gamble on the Korean peninsula," he said.

Noting that the situation on the Korean peninsula bears a close resemblance to that on the eve of the Korean war in June 1950, he held that "if this grave situation is to be brought to an end and the national history is to enter a correct road of peace and prosperity, Chon Tu-hwan, a truculent treacherous criminal without an equal, must be overthrown and national identity be established." To this end, he stressed, we should energetically conduct the work of awakening consciousness of the masses of the compatriots and an international solidarity movement.

Choe Sok-nam, commander of the Ex-Servicemen's Corps for National Salvation in the United States, said: The cause of democracy in South Korea and of independent national reunification is for the sacred vital rights of our nation.

What obstructs and threatens this national cause is "security" in South Korea and the formation of a South Korea-U.S.-Japan three-way military alliance.

Reagan's South Korean tour was aimed at giving a shot in the arm to the traitor Chon Tu-hwan on the verge of death, he noted, and stressed: His tour, however, gave rise to anti-U.S., anti-dictatorship demonstrations unprecedented in history.

Yi Po-pae, chairman of the Patriotic Women's Fellowship Council in the United States, declared that the puppet clique oppose the withdrawal of the U.S. imperialist aggression forces from South Korea, while making desperate efforts to maintain "power."

Denouncing the South Korea puppet clique for making anti-communism a "state policy," she pointed out that this "state policy" of the puppet clique is one of the evils obstructing the democratisation of South Korean society and national reunification.

She called upon the compatriots at home and abroad to make redoubled efforts to achieve great national unity and national reunification.

Im Min-sik, former representative of the Society for National Problems, a Koreans' organisation in Denmark, said that the Chon Tu-hwan military fascist clique are openly scheming to maintain their "power" through the formation of a military alliance with the United States and Japan. "This is, needless to say, a criminal act of selling the country and reducing the nation to a slave of outside forces and an act going against the trend of the time in which the anti-war, anti-nuclear and peace movement is rising to a high tide on the world-wide scale," he declared.

SOLIDARITY GROUP CONDEMNATION OF REAGAN TRIP CITED

SK121022 Pyongyang KCNA in English 1008 GMT 12 Jan 84

[Text] Pyongyang January 12 (KCNA) -- The executive secretariat of the Organisation of the Solidarity of the Peoples of Asia, Africa and Latin America recently published a statement denouncing Reagan's South Korean trip.

Noting that Reagan's trip to South Korea and Japan was chiefly aimed at hastening the formation of the aggressive three-way military alliance of the United States, Japan and South Korea, the statement said:

The Reagan administration is encouraging the despicable Chon Tu-hwan "regime" while pursuing the aggressive and reactionary policy of "strength."

At present, when the international situation is more strained than ever before, it is a very dangerous act to scheme to frame up an aggressive military bloc.

The executive secretariat of the tri-continental people's solidarity organisation fully supports the statement of the spokesman of the Foreign Ministry of the Democratic People's Republic of Korea denouncing Reagan's South Korean tour, during which he had war confabs with the South Korean puppets.

The executive secretariat of the tri-continental people's solidarity organisation appeals to all the progressive and revolutionary parties, governments, organisations and peace-loving people of the world to bitterly denounce the new war provocation moves of the U.S. imperialists who constantly threaten the human destiny.

KIM IL-SONG SENDS GREETINGS TO SULTAN OF BRUNEI

SK090454 Pyongyang KCNA in English 0424 GMT 9 Jan 84

[Text] Pyongyang January 9 (KCNA) -- The great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea, sent a message of greetings on January 8 to His Highness Muda Hassanal Bolkiah, sultan of Brunei, on the proclamation of Brunei's independence.

The message reads:

I warmly congratulate Your Highness on the proclamation of the independence of Brunei and inform you of the decision of the Government of the Democratic People's Republic of Korea to recognize Brunei.

Believing that the friendly relations between Korea and Brunei will develop in the interests of the two peoples, I take this opportunity to heartily wish Your Highness and your people great success in the work for the prosperity of the country.

UNIFICATION MINISTER INTERVIEW ON TALKS PROPOSAL

SK131059 Seoul KYONGHYANG SINMUN in Korean 13 Jan 83 p 3

[KYONGHYANG SINMUN Editorial writer Yi Kang-kol's interview with National Unification Minister Son Chae-sik -- date and place not given]

[Text] [Yi] On 11 January, you issued a statement to the North in connection with North Korean proposal to hold tripartite talks. You have served as the national unification minister -- the official window toward the North. What do you think of North Korea? I do not mean your opinion on specific matters, but your impression of North Korea.

[Son] In view of the activities of the North which I have seen thus far, I cannot but conclude that the North is an unreliable group. Its deeds do not correspond to its words at all. It also is a violent and bellicose group. My view is not a vague feeling, but is based on clear-cut reason.

[Yi] From such a point of view, how do you assess North Korea's ulterior motive in putting forth the proposal for tripartite talks?

[Son] In short, I cannot help regarding it as a false peace offensive. I think that they never had any intention of holding sincere, productive, and constructive talks.

First, they are faced with the necessity of restoring their international prestige which they lost because of the Burmese incident. I think that, because they have been driven further into the corner and isolated under the international society's continued criticism and punishment, they need to implant a peaceful image in international society.

Second, a change in their tactics may have taken place, but it is true that their basic strategy of achieving the unification through communizing the South has not changed. Their proposal is: in the first stage, the conclusion of a peace agreement with the United States with a view to realizing the withdrawal of the U.S. forces; in the second stage, a nonaggression declaration between South and North Korea; and in the third stage, talks for unification.

Their goal is to destroy the balance of military strength between South and North Korea and to realize the Democratic Confederal Republic of Koryo.

Next, they have been attempting to approach the United States recently. Judging that it is impossible for them to approach the United States and exclude the ROK, they put forth such a proposal. But, in putting forth such an important proposal, they did not admit and apologize for the Burmese incident at all. On the contrary, they said that the incident was a drama of our own writing. In view of this, I cannot but deeply doubt their sincerity.

[Yi] You sound like the intention of the North Korean proposal for tripartite talks is like "hawking mutton and selling dog meat."

I want to ask you what is the prospect for realization of the quadripartite talks put forth by Reagan? You, too, hinted that if it would be conducive to creating an appropriate international environment, there is the possibility that talks could be held among the concerned countries. In this case, what does "creation of appropriate international environment" mean?

[Son] What is most desirable is direct talks between the parties concerned. Whether quadripartite talks or any other type of talks are held, the leading actors in whose hands the fate of the Korean peninsula lies are South and North Korea. In terms of dialogue, the situation in which the cart is put before the horse should not happen.

But, I do not reject talks such as quadripartite talks. I mean, however, that direct talks between the parties concerned are the most rational and efficient. I mean: Because the interests and influence of neighboring countries are entangled in the issue of the Korean peninsula, I would not rule out the participation of friendly nations as long as they support, mediate, and render cooperation to the South-North dialogue.

If talks among the countries concerned take place, effective results will be brought out when the various countries involved in the issue of the Korean peninsula and the Korean war, including the United States, participate in the talks.

[Yi] It is said that the Korean peninsula has been "the last leaf" in the history of cold war since World War II. This means that the Korean peninsula is the only region where the interests of the United States and the Soviet Union have conflicted for 39 years, since it was divided due to conflicting interests between the two countries.

Washington and Beijing have recently seemed to be the source of east wind [tongpung] and west wind [sopung] [as published]. It is constructed that through the proposal for tripartite talks, the North Korean side is trying to make adequate use of such winds. I find your 11 January statement meaningful in view of the fact that you made public our will to accomplish our views without caring about such winds or wavering.

By the way, whether tripartite or quadripartite talks, any talks can take place when the international, strategic interests of countries, including the United States and Red China, agree. In view of this it is worthy seeing how much possibility there is in terms of the realization of direct talks in the future.

[Son] In a word, its realization depends on the attitude of North Korea. From a long-range viewpoint, their present attitude of evading dialogue will lose ground.

In fact, if they have any intention of holding talks, there is no reason for them to evade direct talks while putting forth the proposal for tripartite talks. But, if it is an inevitable truth that they will be internationally isolated and will fall into domestic economic difficulties, then when they judge that it will not be profitable for them to evade dialogue, they will not be able to avoid amending their line.

[Yi] Generally speaking, internationally political scientists, too, predict that if we wait patiently, the situation will develop in our favor. But, what is problematic is how long we should wait.

In retrospect, the South-North talks took place in the 1970's because the structure of cold war centering around Northeast Asia began to change due to the improvement of relations between the United States and the Soviet Union. Today, 10 years later, I think that under the situation in which the United States and the Soviet Union are further intensifying their practical approaches toward each other, the issue of the Korean peninsula has been raised again.

In fact, if the situation at that time was a political phenomenon, today's situation takes on a very practical characteristic. Many people interpret Reagan's visit to Beijing, slated for April, from such a viewpoint.

So, rather than waiting, is it not desirable for us to positively work out a bold and comprehensive policy toward the North?

[Son] In fact, we have thus far shown a very broad-minded attitude in terms of the agenda, form, timing, and venue of dialogue. Probably unlike in the past, we are in a position of completely opening the door to dialogue so that if one is ready to hold dialogue, both sides can put any matter on the agenda.

The widening of the gap between South and North Korea also makes it hard to hold dialogue. But, I think that the widening gap is rather a factor which could serve to realize dialogue. The gap between East and West Germany is much wider than that between South and North Korea. The ratio of per capita gross national product between East and West Germany is 10 to 1, while that between South and North Korea is 4.8 to 1. This notwithstanding, through dialogue, East and West Germany actively push ahead with the normalization of relations and exchange of mutual visits.

If North Korea finds it difficult to find a way out of difficulty due to economic difficulty caused by the increasing burden of military spending and political unrest, it will have no choice but to choose between reduced military spending and igniting a war. If they choose stability by decreasing military spending, I think the improvement of relations and the opening of doors will be inevitable.

[Yi] By the way, in its proposal for tripartite talks, North Korea put forth so-called detailed "items for negotiation," but, we have coped with the North's proposal by calling for comprehensive negotiations. What do you think of their strategic change and of the proposal containing detailed agenda items?

[Son] At a glance, they seem to be concrete and positive. But, in fact, I think that our proposal is much more positive, concrete, and comprehensive.

Even though they are seeking to find the meaning of dialogue in insisting on what they have already asserted in the past and in forcing us to agree to their assertions, I think we have provided practical agenda items in detail to be discussed in the talks. We have, in fact, taken measures to deal with all the pending issues such as exchange, cooperation, easing of tension, writing of a unification constitution, opening of society, and preparations for the signing of the tentative provisions for normalizing the North-South relations.

[Yi] Dialogue is essentially a heated controversy in which both sides engaged in the talks battle with all their might and wisdom, is it not? If we can say that the dialogue is a part of our effort targeted at creating atmosphere and environment, the proposal for dialogue, we may say, contains a will against war.

Now that North Korea is about to sell the talks by inviting the United States and Communist China to participate, it is quite doubtful whether Communist China is capable of holding North Korea in check. In response to North Korea's proposal for tripartite talks, Reagan has countered with a proposal for quadripartite talks and Zhao Ziyang refused it as unnecessary. However, it remains quite doubtful whether Communist China's role in the management of a crisis on the Korean peninsula would be capable of containing militarily adventurist North Korea. We are skeptical about Communist China's role in this regard.

[Son] Right. As Communist China is engaged in competition with the Soviet Union as far as North Korea is concerned, naturally it finds its influence on North Korea limited.

Because any of Communist China's acts disadvantageous to North Korea will make the North move closer to the Soviet Union, Communist China seems to be cautious in its relations with North Korea. What is more, in principle Communist China maintains a stand of acquiescence in North Korea's plan of making Kim Chong-il the successor to Kim Il-song.

[Yi] North Korea has unprecedently proposed tripartite talks in the name of a joint meeting of the CPC and the SPA Standing Committee. It is rare thing for North Korea to make its official proposal in this manner. It seems to indicate there is a great deal of significance.

[Son] Following its atrocities in Rangoon -- the largest ever committed by the North since liberation -- North Korea seems to have its back to a diplomatic wall in the international community, a diplomatic hardship difficult to overcome. This being the case, after having put forth a proposal for tripartite talks embellished with all kinds of flowery words and having it delivered through an unprecedented third party, North Korea is now engaged in counter propaganda, accusing us of refusing dialogue.

That it does not apologize to us for the bombing incident in Burma, that it designated parties for the participation in the tripartite talks, that it insists on signing a peace agreement with the United States, which is apparently aimed at forcing the United States to withdraw its troops from the South, and that it insists on signing a non-aggression pact and on having dialogue between the North and the South on unification -- this indicates that the proposal it has recently put forth was a tactic designed to overcome the difficulties it faces at home and abroad.

[Yi] At the same time, I guess the official proposal put forth by North Korea this time might well reflect the power structure of the North which is changing as a result of power being transferred from Kim Il-song to Kim Chong-il. In other words, my guess is that this time North Korea has tried to come up with superficially new assertions while trying to make it appear to be departing from its old temporary styles.

[Son] In order for Kim Chong-il to inherit power from his father, he needs to burnish his image at home and abroad. But the bombing incident in Burma and infiltration of armed agents into the South have caused a considerable amount of negative elements to his succession to Kim Il-song. For this reason, it would seem, he found it necessary to try another tack. Yet, the proposal for tripartite talks might still be a scenario written by Kim Il-song with the participation of Kim Chong-il, not his own scenario.

[Yi] At any rate, the people seem to be perplexed at the mention of bilateral talks, tripartite talks, quadripartite talks, and sextuplicate talks, without knowing what is happening.

[Son] In the midst of the complicated development surrounding the Korean peninsula, there should never be such a thing as being persuaded into believing North Korea's disguised peace offensive. No matter what, we are the ones who will lead in solving the unification question and the attitude of depending on big powers for the solution to the unification question simply because the United States, Japan, and Communist China are interested in matters concerning the Korean peninsula is unacceptable.

Only when we foster national strength for the purpose of implementing the fundamental principles of unification on the basis of harmony, unity and stability, will North Korea realize that the possibility of unifying the country through communication by way of using military force and violence is thin.

FOREIGN MINISTRY OFFICIAL VIEWS NORTH'S PROPOSAL

SK150356 Seoul THE KOREA TIMES in English 15 Jan 84 p 1

[Text] Vice Foreign Minister No Chae-won described yesterday the North Korean proposal for tripartite talks as an obviously "deceptive and tactical" scheme to establish a channel for direct contacts with the United States. Briefing diplomatic corps members here on the recent proposal, he argued that North Korea intended to accept the Republic of Korea only as an observer in the proposed talks.

He refuted the North Korean allegation that Pyongyang recognized the "Seoul authorities' participation" on an equal footing in its "talks with the United States." He said that, on the surface, it may appear that the North Korean regime has now agreed to face-to-face talks with the Republic of Korea by calling the Seoul government "South Korea authorities" for the first time.

He said, however, that North Korea designated only Washington as its negotiating partner, citing the fact that Pyongyang called for the conclusion of a peace agreement with the United States without the participation of the Republic of Korea.

When it came to a non-aggression arrangement with the Seoul government, Pyongyang proposed making a simple "declaration," not an agreement, he said. He continued: "In other words, there is no change in North Korea's basic position of refusing to accept the ROK as a state." More than 40 foreign diplomats here heard Vice Minister No's assessment of Pyongyang's real motives behind the so-called three-way meeting involving Seoul, Pyongyang and Washington. They heard the briefing at a conference room at the Foreign Ministry.

Turning to the position of the Seoul government, he said that North Korea should admit its responsibility for the Rangoon incident in a bid to show sincerity for a peaceful solution to Korean questions. He added that Pyongyang's postures thus far cannot be regarded as suited for sincere dialogue for that purpose.

YI, WALKER MEET TO DISCUSS KOREAN QUESTION

SK140001 Seoul THE KOREA HERALD in English 14 Jan 84 p 1

[Text] Minister of Foreign Affairs Yi Won-kyung and U.S. Amb. Richard Walker yesterday reaffirmed that Korea and the United States call for a Seoul-Pyongyang dialogue as a "basic concept" for solving the Korean question, a Ministry of Foreign Affairs official said yesterday.

In a 30-minute meeting with the American envoy at the ministry, Yi explained the Seoul-proposed talks between South and North Korean highest authorities or a ministerial-level conference, according to the official.

Walker, he said, told Yi that the United States is opposed to the so-called tripartite meeting among Seoul, Pyongyang and Washington, which North Korea proposed Wednesday. He said Walker will brief the foreign minister soon on the series of meetings Chinese Prime Minister Zhao Ziyang had with President Ronald Reagan and other American leaders in Washington.

Walker was quoted as saying he has not yet been informed of the details of Zhao's talks with American leaders.

BACKGROUND REVIEW OF 4-WAY TALKS PROPOSAL URGED

SK130756 Seoul KYONGHYANG SINMUN in Korean 12 Jan 84 p 2

[Editorial: "Quick Countermeasure Against the Changing Situation: What Lies Behind the Proposal for Quadripartite Talks Should Be Grasped"]

[Text] The air of cold war that had remained stagnant because of the tense frictions created by the interest, of the surrounding major powers and the aggravation of the confrontation between the North and the South on the Korean peninsula now seems to have started to flow almost inconspicuously by, being pushed by the wind blowing from Washington and Beijing. Reagan's proposal for quadripartite talks for the solution of the question of the Korean peninsula is evidence of this. How all this will end is not yet known. What is certain, however, is the fact that a capricious wind has started to blow in Northeast Asia. What we are concerned about is the direction and velocity of the wind, which are important for us. U.S. President Reagan, during talks with Premier of Communist China Zhao Ziyang, proposed the handling of the matter, which is frozen, by the two countries along with the other concerned parties. This is, in a certain respect, not a counterproposal against the one for tripartite talks.

This is construed as a policy to systematically manage the crisis on the Korean peninsula and as a part of the preparatory work for a more positive U.S.-China approach. The United States is trying to effect a change in the crisis and tensions created by the division of the Korean peninsula in order to contribute to achieving regional stability and promoting regional security, as well as the peace of the world. We think the United States and Communist China can narrow the gap between their interests and do their part in contributing to regional stability by actively undertaking a thawing on the Korean peninsula. If such moves by the United States and Communist China were to become conspicuous, our diplomacy would be confronted with the urgent task of devising a counterstrategy.

The specific contents of the U.S. strategy toward the Korean peninsula were brought to light in the mid-1970's by Kissinger's cross-recognition formula. However, the international situation and developments in Northeast Asia following the mid-1970's did not permit situational development for the management of the crisis on the Korean peninsula. The precariousness of the physical forces on the Korean peninsula, unstable U.S.-China relations, U.S.-Soviet rivalries and the complicated conflicts in the interests of the countries surrounding the Korean peninsula, including Japan -- all these made it impossible to narrow the gap between interests on the question of the Korean peninsula. The Soviet Union had come forth with a proposal for an Asian security conference, and Communist China was continuing to maintain the attitude of confrontation with the United States. In these circumstances, it was almost meaningless to talk about the question of the Korean peninsula.

However, after entering the 1980's, the international situation has continued to develop drastically, demanding a change in the Northeast Asian situation. The continuing Soviet military buildup and its policy of southward advance have served as a cause of the acceleration of the development of U.S.-China relations. It has become necessary to strengthen the political, military, and economic cooperation between the two countries. It has become necessary to jointly counter a giant, common enemy. It can be said that the United States and Communist China have been given an international political justification to strengthen their cooperation. We believe that, as a result, the concerns over the question of the Korean peninsula have been shown in a very positive manner and the quadripartite talks have been proposed.

The U.S. Government proposal for quadripartite talks is considered a display of a policy to take initiative in developing the situation in Northeast Asia. It is a display of a U.S. formula to systematically guarantee stability, while continuing to maintain interests in the division of the Korean peninsula.

Diplomatic messages were reportedly conveyed at the Reagan-Zhao talks. We think that the United States and Communist China have expressed their progressive views for the management of the crisis in the Korean peninsula in these messages. The main task in the management of the crisis on the Korean peninsula is to maintain the state of the division and to achieve its stability. What the United States has constantly sought in the wake of the Rangoon incident is the rein of and vigilance over the adventurism of the North Korean puppet military circles. The U.S. stand is to seek this aim through cooperation with Communist cooperation with Communist China. The United States is expecting a Communist Chinese rein on the North Korean puppets and carefully seeking a strategy to systematize this. We think that Reagan's proposal for quadripartite talks is a firm expression of such an intent.

It is certain that such a strategic U.S. intent is being accommodated by Communist China's pragmatic approach to the United States. Communist China needs the United States in connection with the question of pragmatism for the program of the four modernizations. It seems that North Korea has exploited Communist China's acceleration of its approach to the United States in nonsensically coming forth with the proposal for tripartite talks. It is clear that the North Korean puppets and Communist China have cunningly utilized international conditions for the consolidation of the world strategic interests of the United States and Communist China in order to escape international isolation over the Rangoon incident.

At this juncture, we must closely analyze and look into the background of the "double-speak" of George Orwell -- and the cause of the quadripartite talks. In so doing, the concerned authorities must, it is urged, correctly grasp the North Korean puppets' unchanging line of communication of the South and moves to exercise influence over the question of the Korean peninsula in order to work out the best counterstrategy.

#### U.S. CAUTIONED IN ITS DEALINGS WITH PRC

SK131350 Seoul TONG-A ILBO in Korean 13 Jan 84 p 2

[Editorial: "Communist Chinese Prime Minister in Washington: He Aims at Introduction of Capital and Technology by Separating Politics From Economy"]

[Text] Concluding his official schedule in Washington for 10-11 January, Communist Chinese Prime Minister Zhao Ziyang has set out on the inspection of industrial facilities. The current visit to the United States by Zhao, who is accompanied by Foreign Minister Wu Xueqian and Deputy Secretary General of the State Council Chen Chu, is becoming a subject of world attention, including Korea's.

Ever since Reagan took office as the U.S. president, U.S.-Communist China relations have generated a great deal of discordant noise. By openly publicizing his intention to recover the already shrunk U.S.-Taiwan relations, President Reagan has provoked resistance from Communist China. For the past 3 years, however, President Reagan has approached Communist China by changing his orbit. In August 1982, President Reagan reduced the size of weapons sales to Taiwan and, again in May 1983, he took a measure of allowing sales of modern technology to Communist China.

Meanwhile, even though the Reagan administration's support of Taiwan was something that it could not swallow easily, Communist China absolutely needed U.S. technology and capital. For this reason, Zhao Ziyang set out for a visit to the United States, the first such visit for a Communist Chinese prime minister.

Taking advantage of Zhao's visit to the United States, the two countries signed a treaty for cooperation in field of industrial technology. Thus, Zhao is expected to fill his traveling bags with capitalist technology and capital to take home. In addition, during his stay in the United States, he emphasized, on many occasions, Communist Chinese needs for continued flow of capitalist technology and capital.

In a speech delivered at U.S.-Communist China Trade Commission, Zhao tried to stress that Western business will find their investment in Communist China safe by saying that Communist China's recent open-door policy has not been based on a short-lived expediency. He also revealed that Communist China's trade volume has doubled in the last 5 years, that foreign investment induced in Communist China have reached \$12 billion, and that some 2,000 projects have been completed thanks to direct foreign investment. In addition, Zhao appealed to the Americans that economic cooperation between the United States and Communist China must not be hindered because the Communist Chinese social and economic systems are different from those of the United States.

Judging from Zhao's remarks in Washington, he has made plain the purpose of his visit to the United States. His idea is to revitalize the Communist Chinese economy, which has been plunged into an abjectly tragic situation, by introducing U.S. capital and technology.

While following Zhao's visit to the United States, we realized once again that there is an insurmountable wall standing between communist countries and democratic countries. For the sake of expediency, communist countries welcome the flow of capital and technology from democratic countries. But the communist countries maintain clearly communistic lines that can never agree with diplomatic lines of democratic countries.

Through his interviews with the U.S. press, Zhao has made such firm communist lines plain. Zhao said that it is impossible for Communist China to establish partnership with the United States in terms of a comprehensive security system because his country holds too many different views in foreign policy compared with the United States. Zhao also said that Communist China holds views similar to those of the United States on the Soviet invasion of Afghanistan and the Vietnamese occupation of Cambodia, but its views on U.S. intervention in the affairs of Central America and the Middle East and the U.S. invasion of Grenada are quite different.

What is more, Zhao tersely said that Communist China will actively support the North Korean proposal for tripartite talks. In regard to quadripartite talks, he said he has not studied it because Communist China had not been invited to participate in the talks.

Thanks to Zhao's remarks in Washington, we have once again assured ourselves that Communist China is thoroughly applying the principles of separating politics from economy to its foreign policy. From his words we can see the rigid expression on the face of Communist China that, although it has to rely on the West in order to pull its lagging economy on to the right track, it cannot make an inch of concession as far as communist ideology is concerned.

This being the case, we point out to the West that, although it needs to maintain contacts with the communist bloc for peaceful coexistence, it has to take a great deal of special care in its contacts with it.

SOVIET ASSISTANCE IN PAST YEAR DESCRIBED

BK130745 Phnom Penh Domestic Service in Cambodian 0430 GMT 13 Jan 84

[Text] In 1983, the Soviet Union expanded its relations in every field with Kampuchea, particularly in industry, agriculture, transport, energy, refurbishment, and health. The Soviet Union restored a hospital in Phnom Penh where more than 100,000 patients have been treated. Various Soviet organizations and workers made efforts to build a diesel power plant in Phnom Penh. This plant provides 50 percent of the city's electricity.

Furthermore, Soviet specialists actively contributed to building and repairing 50,000 km [as heard] of road and over 500 bridges. In the economic field, Soviet-Kampuchean relations are constantly based on equality and mutual interest. The Soviet Union assisted Kampuchea in building and expanding rubber plantation and latex treatment enterprises. In 1983, latex exports to the Soviet Union increased by 40 percent.

HUN SEN COMMENTS ON THAI BORDER SITUATION

OW150003 Phnom Penh SPK in English 1244 GMT 14 Jan 84

[Text] Phnom Penh SPK January 14 -- The tension between Thailand and the three Indochinese countries, particularly on the Thai-Kampuchean border, has its origin in the policy of hegemony and expansionism pursued by the ruling circles in Beijing, and in Thailand's subscription to that policy, said Foreign Minister Hun Sen during a recent inspection tour of Kampot Province.

Hun Sen, also vice premier of the People's Republic of Kampuchea, was referring to Thai Foreign Minister Sitthi Sawetsila's allegation on January 1 that the Kampuchea problem constituted the biggest stumbling block to the establishment of a zone of peace, freedom and neutrality in Southeast Asia. The Thai foreign minister also expressed the ASEAN ministers' "satisfaction" at the meeting of Sihanouk, Khieu Samphan and Son Sann in Beijing, and their "concern" at Thailand's security in this dry season.

The People's Republic of Kampuchea adopts a policy of peace, friendship and cooperation with the ASEAN countries including Thailand, Hun Sen said. "Together, with Vietnam and Laos," he continued, "the PRK has many times made clear its good will and has advanced many constructive proposals for a solution to the problem of peace and stability in Southeast Asia."

"However," Hun Sen continued, "reactionary forces in the ruling circles in Thailand and some other ASEAN countries have failed to give any positive response. On the contrary, they force ahead with their hostile policy vis-a-vis the three Indochinese countries. Worse still, Thailand continues to allow the Chinese expansionists the use of its territory as a sanctuary for the Polpotists and other Khmer reactionaries and to help these elements in undermining the rebirth of Kampuchea."

"The PRK respects Thailand's independence, sovereignty and territory, but it too, has a legitimate right to defend its own independence, sovereignty and territory," Hun Sen pointed out.

"The Kampuchean people and their Armed Forces, with the assistance of Vietnamese Army volunteers, are determined to break any sabotage move taken by the Polpotists and other Khmer reactionaries from Thailand, against any part of Kampuchean territory and in any season," the Kampuchean foreign minister warned.

He said that Sitthi Sawetsila's words had only revealed the Thai ruling circles' unchanged intention of using remnants of the Pol Pot clique and other Khmer reactionaries against Kampuchea's renaissance, in service of Chinese expansionism.

Hun Sen said that the success of the celebrations of Kampuchea's Fifth National Day was proof of the secured situation in Kampuchea and the firm confidence placed by the people in the revolutionary administration.

#### CEREMONY OPENS ORPHANAGE BUILT WITH HUNGARIAN HELD

OW150133 Phnom Penh SPK in English 1224 GMT 14 Jan 84

[Text] Phnom Penh SPK January 14 -- An orphanage at Kompong Kantout, Kandal Province, built with Hungarian assistance was inaugurated Friday. Present at the inaugural ceremony were Yit Kim Seng, Meas Samnang and Tang Saroem, respectively ministers of public health, industry and trade; Yos Por, general secretary of the National Council of the United Front for Construction and Defense of the Kampuchean Fatherland; Keo Chanda, secretary of the Committee of the People's Revolutionary Party of Kampuchea, and major of Phnom Penh [as received] and Mam Sabun, president of the State Committee for Social Action. Also present were Chuteu Dioula, secretary of the Hungarian Committee for Solidarity; Lajos Karsai, Hungarian ambassador; and other members of the diplomatic corps. This biggest orphanage in the country, whose construction was financed by the People's Republic of Hungary, can accommodate 1,000 children.

The institution, named the "Children's City of Kampuchea-Hungary Friendship," will provide the inmates with general and vocational education.

Speaking on the occasion, Minister Yit Kim Seng thanked the Hungarian Socialist Workers Party, the government, the peace council and other mass organizations of Hungary for their devoted assistance to Kampuchean children. He praised the efforts made by Hungarian technicians and workers in building the orphanage, and expressed conviction that the fraternal friendship, solidarity and cooperation between the two countries would further develop.

#### HENG SAMRIN SIGNS DECREE REDUCING JAIL SENTENCES

BK131247 Phnom Penh SPK in English 1115 GMT 13 Jan 84

[Text] Phnom Penh SPK January 13 -- President Heng Samrin has signed a decree concerning the reduction of punishment for repentant prisoners. The decree, occasioned by the fifth anniversary of the People's Republic of Kampuchea, says that life sentences may be attenuated provided that the condemned have already served five years imprisonment. Other sentences may also be reduced if half of the terms have been completed.

#### BOU THANG ATTENDS POLITICAL DEPARTMENT CEREMONY

BK140922 Phnom Penh Domestic Service in Cambodian 1200 GMT 13 Jan 84

[Text] The General Political Department organized a meeting at the office of the General Staff on 10 January to receive medals of the Council of State in the presence of Comrade Bou Thang, member of the party Central Committee, vice chairman of the Council of Ministers, and minister of national defense; Comrade Kham Chan, deputy chief of the General Political Department; chiefs and deputy chiefs of various departments; and representatives of various units under the General Political Department.

(Keo Samuon), chief of the Office of the General Political Department, read a brief report on significant feats and growth of the General Political Department. The report said: During the past 5 years, under the attentive leadership of the party Central Committee and the party committee attached to the Defense Ministry and thanks to the great efforts made by cadres and combatants and to the immense support and assistance given by the Vietnamese experts and the fraternal socialist countries, the emulation movement to stimulate the party-building and political tasks has developed satisfactorily. The report also set forth the emulation targets for implementation in the coming years based on the 16-point program of the party and political tasks of the Armed Forces throughout the country.

Following this report, Comrade Bou Thang conferred a "Fatherland Defense Medal, Second Class," on the General Political Department. At the same time, Comrade Kham Chan conferred "Fatherland Defense Medals, Third Class," on the Defense Department, Cadres Department, Political Organization Department, Propaganda and Education Department, Mass Persuasion Movement Department, and the radio, press and art troupe units of the Armed Forces.

In his speech, Comrade Bou Thang exhorted all cadres and combatants in the General Political Department to make every effort in their combat and defense tasks, strengthen and develop their good and heroic traditions, cooperate closely with the Vietnamese experts, and strive to score greater victories in contributing to national defense and construction tasks.

The meeting ended in an atmosphere of great joy and close unity after representatives of various departments spoke and Comrade (Keo Samuon) read a motion on the resolution of the General Political Department to the Defense Ministry.

#### VONADK SAYS GUERRILLA ATTACKS STOP CELEBRATION

BK150744 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2300 GMT 14 Jan 84

[Text] The Vietnamese aggressors had planned to hold a celebration in the Siem Reap-Angkor region on 7 January in an attempt to fool world public opinion that they can control Siem Reap-Angkor and ensure security and stability in that region. But this plan was totally frustrated. No one dared to join this celebration because from the end of December to 8 January 1984 our national army launched successive attacks against the Vietnamese aggressors in Siem Reap town, in the vicinity of Angkor Wat temple, and in the vicinity of Preah Khan and Bayon temples, and launched activities at a large group of temples and at Phnum Kraom.

Moreover, our national army also fired artillery shells and rockets into the Siem Reap airport, in Siem Reap town, and in front of the Angkor Wat temple. Thus the Vietnamese aggressors were unable to display their strength at this 7 January celebration because they had to send those forces prepared for the celebration to cope with our guerrilla activities.

#### NEW KHMER NATIONALIST RADIO BEGINS SERVICE

BK150237 Bangkok BANGKOK POST in English 15 Jan 84 p 1

[Text] Khmer resistance forces will today begin broadcasting a new radio service into Kampuchea. The Khmer Nationalist Radio will operate six hours daily. It is a joint venture between the Khmer People's National Liberation Front [KPNLF] and Prince Sihanouk's forces. There will be a 10-day trial period before regular programmes begin and each group is entitled to three hours of daily broadcasts. According to sources, the KPNLF has been using the radio since January 8. The trial programme will comprise Khmer music and brief local and international news.

SIHANOUK DENIES REPORTED PLAN TO MEET SOVIETS

BK141116 Hong Kong AFP in English 1038 GMT 14 Jan 84

[Text] Beijing, Jan 14 (AFP) -- Prince Norodom Sihanok, president of the anti-Hanoi Cambodian resistance coalition, has denied reports that he was considering meeting Soviet leaders in a bid to resolve the Cambodian crisis. The Hong Kong-based THE FAR EASTERN ECONOMIC REVIEW reported earlier this week that the prince had told ambassadors from the Association of Southeast Asian Nations (ASEAN) during a visit to the Chinese capital that he was considering holding talks with Moscow, Vietnam's principal ally. In a statement made in Pyongyang and received here today, Prince Sihanouk said: "I never told ASEAN ambassadors or other people that I wanted to meet with the Soviets or other enemies."

Prince Sihanouk is president of a tripartite coalition grouping his forces, the Khmer Rouge and nationalists led by Son Sann, which are fighting the pro-Hanoi Phnom Penh government backed by an estimated 150,000 to 170,000 Vietnamese troops. The Vietnamese toppled the Khmer Rouge from power in January 1979, and their continued involvement in Cambodia is the principal source of tension between Hanoi and the six member states of ASEAN -- Thailand, Malaysia, Singapore, Brunei, Indonesia and The Philippines.

COMPARISON OF SOUPHANOUVONG SPEECH ON PRK ANNIVERSARY

Vientiane Domestic Service in Lao at 0430 on 12 January carries a 16 minute recorded speech by Souphanouvong, member of the LPRP Central Committee Political Bureau, president of the LPDR, and chairman of the Supreme People's Council, delivered at a meeting held at the Phnom Penh College of Medicine and Pharmacy on 8 January. The radio report has been compared to the SPK English version published in the 12 January Asia & Pacific DAILY REPORT, Pages H 8-10 revealing the following variations:

Page H 9, sixth paragraph, line three: ...and other fields, especially in the public health field as can be seen from your College of Medicine and Pharmacy, in the teeth... (supplying additional phrase)

Page H 10, first paragraph, line one: ...The preparations for military adventures in many areas have intensified military confrontation. (changing wording)

Page H 10, second paragraph, line three: ...and Khieu Samphan is the pretext for continuing its illegal opposition... (changing wording)

Page H 10, second paragraph, line six: ...the situation in Kampuchea, which has been consolidated with every passing day on a solid foundation and which has existed for 5 years, is irreversible. (rewording and deleting editorial notation)

Page H 10, seventh paragraph, line one: ...and develop forever the special solidarity and friendship between Laos and Kampuchea and among Laos, Kampuchea, and Vietnam for... (supplying additional phrase)

Page H 10, last paragraph, last line: ...Long live the KPRP! [applause]

Long live the PRK! [applause]

May the just struggle of the Kampuchean people become victorious! [applause]

Long live the militant alliance, great solidarity, and friendship, and comprehensive cooperation among Laos, Kampuchea, and Vietnam! [applause]

Long live the solidarity, friendship, and cooperation among Laos, Kampuchea, Vietnam, the Soviet Union, and other fraternal socialist countries! [applause] (supplying additional paragraphs)

VIENTIANE PAYS HOMAGE TO SOUVANNA PHOUma

## Party, State Leaders

BK131145 Vientiane KPL in English 0856 GMT 13 Jan 84

[Text] Vientiane, January 13 (OANA/KPL) -- The Lao party and state leaders, yesterday morning, paid last homage to the late advisor of the Council of Ministers, Souvanna Phouma.

Present on the occasion were Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party CC and Chairman of the Council of Ministers; Nouhak Phoumsavan, Political Bureau member of the LPRP CC, and first vice-chairman of the Council of Ministers and minister of foreign affairs; Sisomphon Lovansai, Political Bureau member of the LPRP CC and vice-chairman of the People's Supreme Assembly [SPC] and other members of the party CC, the SPC and the government.

They were followed by the representatives of the ministries, state committees and mass organisations who came to pay last homage to the government's advisor. Later in the afternoon of the same day, the diplomatic corps and representatives of the international organisations to Laos also paid tribute to the late advisor of the Lao Government Souvanna Phouma.

## Souphanouvong Pays Respects

BK141135 Vientiane KPL in English 0913 GMT 14 Jan 84

[Text] Vientiane, January 14 (KPL) -- Souphanouvong, president of the Lao PDR, chairman of the People's Supreme Assembly, and chairman of the Lao Front for National Construction and his family on January 13 paid last homage to Souvanna Phouma at the club of the Council of Ministers. On the same day, the Administrative Committee of Vientiane Municipality, personalities, representatives of mass organizations, and representatives of people of four districts of Vientiane also paid last tribute to the late advisor of the Council of Ministers, Souvanna Phouma.

## SRV Special Envoy

BK141125 Vientiane KPL in English 0915 GMT 14 Jan 84

[Text] Vientiane, January 14 (KPL) -- Sali Vongkhamsao, vice chairman of the Council of Ministers, president of the State Planning Committee and chairman of the funeral committee of the late Souvanna Phouma on January [as received] received here Le Van Hien, the representative of the Vietnamese Government and the special envoy of the chairman of Council of Ministers of Vietnam, Pham Van Dong, to participate in the funeral ceremony of the late Souvanna Phouma.

The Lao vice chairman, at the meeting, conveyed thanks, through Le Van Hien, to the Vietnamese Government and people for their share of deep sorrow over the passing away of Souvanna Phouma. Nguyen Xuan, the extraordinary and plenipotentiary ambassador of the SRV to Laos, was also present at the meeting. Earlier, Le Van Hien had paid tribute to the late advisor of the Lao Council of Ministers.

## Sali Vongkhamsao Attends

BK161027 Vientiane KPL in English 0925 GMT 16 Jan 84

[Excerpt] Vientiane, January 16 (OANA-KPL) -- Sali Vongkhamsao, Political Bureau member of the Lao People's Revolutionary Party CC, vice-chairman of the Council of Ministers, chairman of the State Planning Committee and chairman of the funeral committee of the late Souvanna Phouma, on Saturday at the funeral ceremony read the following necrology established to the late Souvanna Phouma.

The necrology began to say;

We all came here today to pay the last tribute to late Souvanna Phouma, the advisor of the Council of Ministers.

The necrology wrote that Souvanna Phouma was born on October 7th, 1901 in Luang Prabang, a son of Chao Bounkhong and Chao Thongsi.

## Cremation Rite

BK151150 Vientiane Domestic Service in Lao 1200 GMT 14 Jan 84

[Text] On the afternoon of 14 January, the organizing committee for the cremation of Souvanna Phouma held a grand cremation ceremony for the late Souvanna Phouma, advisor to the Council of Ministers, at the That Luang Pagoda Grounds in Vientiane capital in an atmosphere of great sorrow.

At 1340, the procession with the hearse carrying the body of Souvanna Phouma left the club of the Council of Ministers for the crematorium at the That Luang Pagoda Grounds. The hearse was accompanied by many senior Buddhist bonzes, LPDR President and SPC Chairman Souphanouvong, members of the SPC, the Council of Ministers, and the Lao Front for National Construction [LFNC] Central Committee; members of the family and relatives of the late government adviser, representatives of all ministries and departments, and a large number of Vientiane residents.

Attending the official cremation ceremony for the late Souvanna Phouma were Nouhak Phoumsavan, first vice chairman of the Council of Ministers; Phoun Sipaseut, vice chairman of the Council of Ministers and foreign affairs minister; Khamsouk Keola, vice chairman and general secretary of the SPC and vice chairman of the LFNC Central Committee; Sali Vongkhamsao, vice chairman of the Council of Ministers, chairman of the State Planning Committee, and chairman of the organizing committee for the cremation; and a large number of other leaders. Le Van Hien, representative of the SRV Government, and members of diplomatic corps and representatives of international organizations in Laos also attended the cremation ceremony for the late Souvanna Phouma.

After the hearse arrived at the crematorium, the official ceremony began when Sali Vongkhamsao, chairman of the organizing committee for the cremation, read an eulogy to pay final homage to Souvanna Phouma. While Buddhist bonzes were chanting, President Souphanouvong, members of the family of the late government adviser, other leaders, members of the diplomatic corps and representatives of various organizations filed past the coffin bearing the body of Souvanna Phouma to lay candles and josticks to pay their final respects and to express their sorrow to the late government adviser who made numerous contributions in our national interest and commanded the high respect of all Lao compatriots and friends throughout the world.

REPORTAGE ON LAO-THAI BORDER COMMITTEE TALKS

## Interior Minister Departs

BK131055 Vientiane KPL in English 0901 GMT 13 Jan 84

[Text] Vientiane, January 13 (KPL) -- In response to the invitation of the Thai minister of interior, Sitthi Chirarot, who is also president of the Thai-Lao Borders Corrdination Committee, General Sisavat Keobounphan, minister of interior and chairman of the Central evel of the Lao-Thai Borders Coordination Committee, left here yesterday for a four day of friendship visit to Thailand. Seeing the delegation off at the airport were Asang Laoli and Bounma Mithong, deputy-ministers of interior and a number of officials. Niran Ohanouphong, charge d'affaires of the Embassy of the Kingdom of Thailand to Laos, was also on hand.

Border Talks End

BK160920 Vientiane Domestic Service in Lao 0430 GMT 16 Jan 84

[Text] The delegation of the Lao-Thai Border Coordination Committee at the Central Level led by General Sisavat Keobounphan, interior minister and chairman of the committee, returned to Vientiane on the afternoon of 15 January after concluding its official friendship visit to the Kingdom of Thailand at an invitation of General Sitthi Chirarot, minister of interior and chairman of the Thai-Lao Cooperation Committee. The delegation was welcomed at the Deua Wharf in Hataifong District by Khambou Sounisai, chairman of the administrative committee of Vientiane Municipality; Asang Laoli and Bounma Mithong, deputy ministers of interior; Soulivong Phasitthidet, deputy minister of foreign affairs; Niran Phanouphong, charge d'affaires ad interim of the Kingdom of Thailand to Laos; and many high-ranking cadres concerned.

During their stay in Thailand, in addition to meeting with the Thai committee, Gen Sisavat Keobouphan and party paid a courtesy call on His Majesty the King Phumiphon Adunyadet at Phuphing Palace in Chiang Mai Province. The meeting was held in a good atmosphere and in a spirit of fraternity. They also called on Deputy Prime Minister Phichai Rattakun and visited other sites in Bangkok.

In addition, Souban Salitthilat, deputy minister of foreign affairs of the LPDR, on behalf of the Lao-Thai Border Coordination Committee, met with Thai and foreign journalists at the Erawan Hotel to publicize the outcome of the talks between the two border coordination committees of Laos and Thailand. In the press conference, the deputy foreign minister said: The meeting between the two sides took place on the afternoon of 12 January 1984 and continued in a good atmosphere. Lao administrative committees and Thai governors of the provinces bordering the two countries participated in the meeting. The two sides reviewed the implementation of the issues as discussed in Vientiane in 1983 and noted that the situation along the border areas of the two countries in the past year has gradually improved when compared with that in 1981-82. The coordination between the local border authorities of both sides in settling incidents and in creating favorable conditions for the exchanges of visits has also been gradually improved. However, there still remain many issues that were discussed previously that need to be further settled through direct contacts and discussions between the local authorities.

The Lao side reiterated the intention of the LPDR Government to maintain good relations with the Kinddom of Thailand on the basis of the Lao-Thai joint statement of 1979. It also informed the Thai side that the Lao-Thai relations have been quickly improved in accordance with the aspirations of the peoples of Laos and Thailand because there are obstructions created by outsiders who want to have the Southeast Asian region under their control.

The Lao delegation expressed its concern over the situation in the region and informed the Thai side of the Lao experiences. This was hospitably welcomed by the Thai delegation. The Lao side hopes that the Thai Government will exert all its efforts to, together with the Lao Government, improve the Lao-Thai relations with each passing day.

The Lao delegation has invited Gen Sitthi Chirarot and party to pay a visit to the LPDR in late 1984 or early 1985 to continue normal meetings. The invitation was accepted by the Thai side with pleasure.

PHOUN SIPASEUT GREETS ENVOYS, COUNTERPART

DPRK Foreign Minister

BK121201 Vientiane Domestic Service in Lao 0000 GMT 12 Jan 84

[Text] On 4 January, Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs of the LPDR, sent a message of congratulations to (Kim Song-nam), vice premier and minister of foreign affairs of the DPRK, Pyongyang. The message reads as follows: I am very pleased to convey warm congratulations to you, comrade, on the occasion of your appointment as vice premier and minister of foreign affairs of the DPRK. I am convinced that the friendly relations between the LPDR and the DPRK will be continuously consolidated and developed. I wish you, comrade, together with the Korean people, great success in the struggle to defend the country and in the independent and peaceful reunification of the Korean nation.

Outgoing Cuban Envoy

BK141129 Vientiane KPL in English 0918 GMT 14 Jan 84

[Text] Vientiane, January 14 (KPL) -- Phoun Sipaseut, Political Bureau member of the party CC, vice-chairman of the Council of Ministers and minister of foreign affairs, received here, on January 13, Luis Reyes Mas, the Cuban ambassador to Laos who has accomplished his term in Laos.

The Lao minister, on the occasion, congratulated the Cuban ambassador for his achievements in Laos which greatly contributes in further consolidation of the friendship relations and cooperation between Laos and Cuba. Phoun Sipaseut also wished the Cuban ambassador good trip and new success in his work.

Finnish, Canadian Envoys

BK131155 Vientiane KPL in English 0859 GMT 13 Jan 84

[Text] Vientiane, January 13 (KPL) -- Phoun Sipaseut, Political Bureau member of the Lao People's Democratic Republic [as received], vice chairman of the Council of Ministers, [and] minister of foreign affairs, on January 12, received here Esko Lipponen and John Lawrence Payntre, respectively ambassadors of Finland and Canada who had recently presented credentials to the Lao president.

The Lao minister, on the occasion, congratulated the two new ambassadors for their accreditation in Laos and expressed the conviction that the existing Lao-Finland and Lao-Canadian friendship relations will [be] further developed. The meeting was proceeded in an atmosphere of friendship and cordiality.

MATICHON VIEWS KRIANGSAK VISIT TO VIETNAM

BK141722 Bangkok MATICHON in Thai 14 Jan 84 p 4

[Column by Kosum Hakthongkhwang: "Kriangsak's Visit to Vietnam: People-to-People Diplomacy"]

[Text] The visit to Vietnam by the House Foreign Affairs Committee team headed by General Kriangsak Chamanan scheduled for 18 January is a significant political step not only for Kriangsak himself, but also for relations between Thailand and Vietnam.

According to the original plan, the group was scheduled to visit Hanoi last December, but the plan was changed following pressure from both domestic and external opposition. It was charged that the delegation's plan to visit in December coincided with the king's birthday and this showed that the group gave more importance to Vietnam than to the most significant day of the Thai people.

There was also the charge that the group also planned to visit Democratic Kampuchea [as published]. Foreign Minister Sitthi Sawetsila spoke openly against the plan, especially since Gen Kriangsak Chamanan is the leader of the National Democracy Party, a member of the government coalition. Because of pressures, Vice Chairman of the House Foreign Affairs Committee Lieutenant General Chan Angsuchot pulled out of the plan. As a result, the committee put off the December-January visit and confirmed that there was no plan for a visit to Democratic Kampuchea.

Aside from the question of visiting Democratic Kampuchea, the visit to Vietnam by the House Foreign Affairs Committee members is a normal step in international politics as they are elected members of the House of Representatives and their mission is that of a representative of the people and not of the government. Also, aside from the fact that Kriangsak is the leader of the National Democracy Party, this delegation should be entitled to visit Democratic Kampuchea if the purpose of the visit is sincerely based on their desire to gather information for use in determining the foreign policy of the country.

The House Foreign Affairs Committee team headed by Gen Kriangsak Chamanan has already visited Laos. It is now visiting Vietnam. If contacts between two countries having different political systems are nothing unusual, this delegation's visit to Vietnam should not be regarded as overly sensational. In the present world situation, it is impossible for a country to remain closed and isolated from others. Thailand and Vietnam, in fact, have maintained diplomatic relations at the government level. It is because of Vietnam's policy on Laos and Kampuchea, which has affected Thailand's border area and caused problems for Thailand to a certain extent, that there has been tension in the relations between the Thai and Vietnamese Governments.

However, it is not the desire of the two countries that this tension should escalate into a war or fighting because that would mean killing and an ensuing disaster for their economies.

As we do not want war, we must pursue diplomatic maneuvers to avoid it, and this can be done not only by the government, but also by the peoples of both countries. This is where we see the significance in the visit by the team headed by Gen Kriangsak Chamanan. We should not look at this visit from a negative point of view only, but should also look at the practical side of it.

If Thailand and Vietnam can forge a better understanding with each other, we will be free from the worry threats of war and intervention and be able to spend our national budget fully on economic development. This is how constructive diplomacy and wisdom in assessing these gains will serve the interests of the nation and the people.

#### REPORTAGE ON THAI-LAO COOPERATION MEETING

##### VOFA Report

BK141044 Bangkok Voice of Free Asia in English 1230 GMT 13 Jan 84

[Special report: "The Meeting of the Thai-Lao Cooperation Committee"]

[Text] Once again Thailand and Laos have made an important step toward promoting their good relations. A Laotian mission, comprising several high-ranking officials of the Laotian Government, yesterday arrived in Bangkok to participate in the 3-day meeting of Thai-Lao Cooperation Committee. The meeting, the third of its kind involving government officials at the ministerial level, was scheduled between 12 and 16 January. Attending the meeting are Thai Interior Minister Sitthi Chirarot, Laotian Interior Minister General Sisavat Keobounphan, Laotian Deputy Foreign Minister Souban Salitthilat, as well as other senior officials of Thai and Laotian Governments.

In procession to the two meetings in 1980 and in 1982, the meeting of the Thai-Lao Cooperation Committee this year follows the same purpose as the two previous ones to strengthen Thai-Lao bilateral ties, to develop their [word indistinct] cooperation, to review their relations and joint activities during the past year, and to discuss together their mutual problems at both local and national levels. The meeting therefore allows opportunities for decision makers in both countries to further their contracts and exchanges which will bring about good relations and understanding between the two sides. Ever since the Thai-Laos joint committee was established in 1979, the governments of the two countries have exchanged frequent contacts with each other at both national and local levels. Aside from the regional meetings of the joint committees set up at both ministerial and provincial levels, the two countries' figures have also exchanged their frequent visits to each other's country. During 4-6 January 1979, Thai Prime Minister General Kriangsak Chammanan made a goodwill mission to visit Laos during which the two countries issued their joint communique stating their common aims to increase relations, to promote cooperation, and to return the Mekong River into a river of peace and friendship for both the Thai and Laotian people.

Later, in April, Laotian Premier Kaysone Phomvihan paid a return visit to Thailand. On such occasion his majesty king of Thailand granted an audience to the Laotian premier and his delegation.

The Thai-Lao joint communique in 1979 marks a point of departure of their mutual policies toward each other. Against the background of continued regional conflict in the 1980's, Thai-Lao relations have nevertheless developed from strength to strength. The Thai Government always has an intention to preserve the relationship with Laos within the corner of peace and friendship [word indistinct] any other conflicts within the region.

Several official statements as well as past actions have indicated Thailand's intention to develop friendly relations with Laos. In the case that Laos faces difficulty, Thailand will always regard Laos as her close cousin and promptly assist Laos to help relieve her from suffering. It is proved that Thailand is indeed a true friend of Laos. The matter is well indicated in the record of Thai assistance provided to Laos on different occasions during the past several years.

During 1975-1981, Thai aid to Laos totalled 18.6 million baht. The grant aid took the forms of food, medicine, agricultural assistance, and [word indistinct]. Thai assistance to Laos this year has so far involved a grant of 200 tons of glutinous rice to help relieve Laos from a food shortage. Thailand's regular purchase of electricity from Laos, too, has helped increase Lao income. The purchase amounted to approximately U.S. \$22.5 million in 1982 and about U.S. \$25.5 million in 1983.

BANGKOK POST Report

BK160151 Bangkok BANGKOK POST in English 16 Jan 84 p 1

[By Banyat Thatsaniyawet]

[Text] Thailand and Laos have agreed in principle not to let regional problems or any third party affect bilateral relations between the two countries, well informed sources told the BANGKOK POST yesterday.

Both also agreed that direct contact at diplomatic and ministerial level be made if problems could not be solved at provincial level, especially if the problems showed signs of worsening relations.

The sources said Nong Khai Province is the coordinating centre for the nine provinces which border Laos while on the Laotian side, Vientiane is the centre. If border problems occurred, the sources said, a solution would be first sought at this level.

But if the problem seemed to be worsening and could affect bilateral relations, direct contact could be made through diplomatic channels or directly between the interior ministers, the sources said. The agreement to ignore attempts by third parties to create rifts between Thailand and Laos was first stated when Laotian Interior Minister Sisavat Keobounphan met Parliamentary President Charubut Ruangsawan on Saturday.

Although the Thai-Laotian talks did not have any concrete results, they created better understanding between the two countries, the sources said. They quoted Gen Sisavat as saying that Thai-Lao relations had improved last year, and should be even better this year. During the bilateral talks both sides concentrated on the problems between the two countries and Thailand avoided making any comments on the accusations by Laos that the United States and China were the causes of political tension in the region.

Laotian Deputy Foreign Minister Souban Salithhilat on Saturday blamed China and the U.S. for causing political tensions in Southeast Asia. His statements followed those by Gen Sisavat on Friday warning Thailand to beware of the threats from China.

Mr Souban said that China's view that the Vietnamese occupation of Kampuchea was a threat to Thailand was just a front. The real reason for this view, Mr Souban said, was so that China could use the Pol Pot forces to expand its power and influence in the region. He also said Indochina and ASEAN held different opinions on the cause of tensions in the region.

The Laotian delegation returned home yesterday afternoon through Nong Khai Province after visiting Udon Thani Province.

AUSTRALIARELATIONS WITH REAGAN ADMINISTRATION VIEWED

BK120329 Melbourne Overseas Service in English 1110 GMT 11 Jan 84

[From the "Australian Insight" program moderated by Sue McAlister]

[Excerpts] Australia and the United States have for a long time had an especially close relationship. There are marked cultural and social affinities between the two. They share a common language. Both comprise populations made up overwhelmingly of fairly recent immigrants, mostly from Europe. From Canberra, John Lombard reports that sections of the Labor Party are far from happy about Australia's relations with United States.

[Begin recording] [Lombard] The left wing, for example, has always had a cynical view of the relationship -- perhaps more so of a right-wing Republican president such as Ronald Reagan. The left wing points accusing fingers at the Central Intelligence Agency for its misdemeanors. And there are some who are still convinced that the CIA played some role in the sacking and downfall of the previous labor prime minister, Mr Gough Whitlam, in 1975. [Word indistinct] in spite of the fact that one of the few surviving ministers of the Whitlam government, Mr Bill Hayden, who is now foreign minister, has said that there is absolutely no evidence that the CIA was involved. But nevertheless the suspicion remains among some left-wing members. And it is significant that Mr Hayden felt sufficiently curious about the possibility for him to make enquiries about it when he came back into government.

Prominent also is the issue of the American bases on Australian soil which causes the left wing -- and not only the left wing -- considerable concern. Officially, the bases at Pine Gap and Nurrungar in Central Australia and at North West Cape in far Western Australia, are what is known as joint facilities, that is, there are Australian and American personnel at the bases, and they are supposed to be working as allies. But in fact, there are American areas at the bases that are strictly off limits to Australians. And although the bases are supposed to be crucial in their satellite spying role of monitoring Soviet and Chinese activities, there have been well publicized instances where the Americans have kept the Australian administration in the dark about what they were using the bases for.

At the formal government-to-government level the relationship is good. For example, for a Labor prime minister, Mr Bob Hawke, had been quite [word indistinct] at President Reagan's attempts at disarmament. But then Mr Hawke has made no secret of his disgust of the Soviet Union.

On foreign policy issues however, there are some differences. Australia believes it has a role to play in helping to bring about a solution to Kampuchea's problem. The foreign minister, Mr Hayden, and the prime minister, Mr Hawke, have defended the official Labor policy to give aid to Vietnam although their interpretation of Labor's policy has been to provide only disaster aid to Vietnam and not development aid. Nevertheless, the American view is that giving aid of any kind will lessen Vietnam's dependence on the Soviet Union. Both Mr Hawke and Mr Hayden had made it clear that any attempts to create a rift between them on foreign policy will fail. Mr Hawke has gone out of his way to support Mr Hayden on foreign policy initiatives. [end recording]

John Lombard in Canberra.

Despite the apparently united front presented by Australia's prime minister and foreign minister, Richard Palfreyman reports from Washington that there are reservations on the part of some American officials about Foreign Minister Hayden.

[Begin recording] [Palfreyman] On one level the Americans suggest that the pragmatic style of the Hawke Labor government has quelled any fears that might have surfaced in Washington after the election. Certainly Hawke is more acceptable to the State Department than his foreign minister. [Word Indistinct] American views of Bill Hayden as foreign minister were lessened after his visit here to Washington to review the ANZUS pact. It was generally understood that much of that exercise was party political, that Hayden's visit was the result of a campaign undertaking given by Hawke. That at least is how it was presented in State Department background. Given the reluctance of U.S. officials to discuss the relationship with any sort of candor, that line seems not unreasonable. But in recent weeks it has become evident that the initial American suspicions of Hayden have not been dispelled. Australia's departure from the ASEAN line on Kampuchea, it's dual approach to Vietnam, and a possibility of restored aid to Hanoi have left Canberra and Washington at odds.

There's also something about the Hayden style that rankles the State Department. Assistant secretary of state for Pacific affairs, Paul Wolfowitz, let his dislike of Hayden be known in an off-the-record briefing for visiting Australian journalists. They ignored the Washington conventions and promptly published it. The result is red faces at both the State Department and at the Australian Embassy, which worked hard to set up the interview in the first place.

Apart from policy differences, Hayden managed to nettle the Americans during this visit to Washington for the ANZUS review -- a fact that is only now emerging. The State Department was less than impressed with Hayden's daily briefings to the Australian press contingent, even allowing for their acceptance that he was speaking for domestic consumption. The inference is that the gap is unacceptably wide between what was said inside the conference room and what was uttered publicly outside. The expectation here is that Australia's foreign minister won't get away with it so easily next time he is in Washington. The Americans after all are no slow coaches in the art of backgrounding.

The ANZUS review and the bases question was apparently settled to everyone's satisfaction even if the performance of Hayden nettled some of those of State. The Australian stand on Vietnam and Kampuchea has left the Americans backing ASEAN, and Australia's quick refusal to partake in a Commonwealth peacekeeping force on Grenada before even being asked does not help to soothe Washington's ruffled feathers. [end recording]

#### FOREIGN GOVERNMENT AGENTS WARNED TO REGISTER

BK140925 Melbourne Overseas Service in English 0830 GMT 14 Jan 84

[Text] The Federal Government has warned representatives of foreign governments and their agencies to apply immediately for registration with the Department of the Special Minister of State. Their names will be placed on one of two confidential registers of people or companies seeking to represent the interests of third parties to the government. The other register, which is yet to be established, will contain the names of all Australian lobbyists as well as the names of their clients. The government has warned that people or companies not registered could be denied access to ministers and to officials within its departments and authorities.

Radio Australia's Canberra office says the decision to establish the registers is the result of concern that the present loose arrangement between the government and lobbyists could lead to breaches of national security.

PRESIDENT SUHARTO DELIVERS 1984-85 BUDGET SPEECH

BK130300 Jakarta Domestic Service in Indonesian 0328 GMT 9 Jan 84

[Speech by President Suharto on 1984-85 budget delivered to parliament in Jakarta on 9 January -- live]

[Summary] "Honorable assembly, the 1984-85 budget bill has special meaning and is very important. This budget bill will finance the implementation of the first year of the Fourth 5-Year Development Plan [Repelita IV] as the realization of the basic state policy which was adopted by the 1983 session of the People's Consultative Assembly. Accordingly, the achievements of Repelita IV should serve as the basic framework for subsequent stages. After consolidating this basic framework under Repelita V, it will enable the Indonesian nation to take off to accelerate the development of a just and prosperous society based on Pancasila under Repelita VI. Therefore, Repelitas IV, V, and VI are closely related frameworks after the valuable experience we have gained from the implementation of Repelitas I, II, and III. Therefore Repelitas IV to VI are not only the continuation of previous repelitas, but also constitute a significant and decisive stage on the long road of our national development to attain targets in economic, political, cultural, defense-security, and other sectors. Being greatly aware of the shortcomings and weaknesses in the achievements of Repelitas I, II, and III, in general we can still say with relief that we attained initial successes under these three repelitas."

In the ideological field, the nation has reached a consensus on the application of Pancasila. "There is a national consensus on Pancasila as the sole principle of all sociopolitical forces and a national consensus on our determination to apply Pancasila in development."

In the political and government sectors, the country held three general elections under the 1945 Constitution and reorganized the political system within the framework of developing Pancasila democracy.

In the economic and development sectors, the country has reorganized the national economic system so that it can maintain economic stability, develop the economy, and spread out development activities to attain social justice. The nation can continue to exist and develop under the world economic recession and this means that it has economic resilience.

In facing times of expectations and trials, the nation should draw its strength from past experiences, and the past can inspire everyone to ensure the success of future tasks. One of the sources of inspiration and motivation is the preamble of the Constitution.

I explained in the state message to the honorable assembly on 16 August last year that the growth rate in various sectors under Repelita IV was estimated at 5 percent a year. "For this purpose, efforts should be made to see that the growth of the industrial sector is faster than the agricultural sector, while the agricultural sector should grow adequately. The industrial sector should grow by an average of about 9.5 percent a year, the agricultural sector by 3 percent, while the service sector -- buildings, transportation, communications, and so on -- should grow by about 5 percent, and the mining sector by about 2.4 percent. With these growth rates, the role of the industrial sector will become larger and the Indonesian economic structure will be more balanced. This will be the basic economic framework which should be consolidated under Repelita V.

"If, under Repelita IV, the rate of population growth can be controlled at a yearly average of 2 percent, the per capita net national product will increase by an average of 3 percent a year. This means that our national capability will further increase by the end of Repelita IV."

During Repelita IV, the population problem will be a challenge to our efforts to implement one of the development objectives, namely improvement of the living standard, the intelligence, and the welfare of the entire people in a gradually equitable and fair way.

"In our efforts to improve the welfare of all the people, we will continue to reduce the birth and death rates. Our efforts in this area will be reflected in life expectancy, namely the average life span of the Indonesian people.

Our efforts to improve the welfare of the people will be carried out along with the improvement of the people's health. By the end of Repelita IV, we expect to be able to accommodate a total of almost 26 million primary school children between the ages of 7 and 12. We expect to be able to accommodate a total of 78 percent of primary school graduates, or 2.7 million out of 3.5 million students at the junior high school level. At the senior high school level, we expect to accommodate more than 84 percent of the junior high school graduates, or a total of 1.7 million students out of a total of 2.1 million."

The most complicated and serious problem in our efforts to improve the living standard of the Indonesian people is the problem of manpower and job opportunities. "During 1983, the labor force was estimated at 63.5 million, with a part of this total being jobless. During Repelita IV, the total labor force is expected to increase by more than 9 million.

"If we can grow by an average of 5 percent per year and utilize investments that can provide many jobs, we can expect to be able to provide employment for the 9-million-strong labor force during Repelita IV. For this purpose, we should utilize any funds available, especially from the development funds, to create as many employment opportunities as possible during Repelita IV."

Honorable assembly, in order to enable us to achieve the objectives of Repelita IV, it is absolutely necessary to secure financial sources, especially from domestic sources, through the intensification of government and public savings. Efforts to increase government savings are to be carried out by increasing state revenues to a maximum level and limiting routine expenditures to the point where they can no longer be reduced.

Assuming that we no longer can expect an increase in revenue from oil and natural gas, we need to increase revenue from the tax sector. "One step in our efforts to increase the domestic revenue has been to reform a number of tax laws, from which we have already partially benefited. In this connection, I wish to extend my respect, appreciation, and thanks to the honorable assembly, which has completed the process of the various tax reforms on time."

I sincerely hope that all quarters seriously observe the provisions of the tax reforms as it is not only an important step, but will also substantiate our efforts to lay a foundation for our national development.

Apart from the rupiah financing, we also need more foreign exchange to finance the growing development. For this purpose, we will continue to utilize the available funds derived from soft as well as semisoft-term foreign loans along with our vigilance to ensure that repayment of the foreign loans be made within our capability.

"We will take further steps to promote nonoil exports in our effort to increase the foreign exchange revenue we so urgently need to achieve the objectives of Repelita IV."

In our endeavor to implement Repelita IV through development, the role of national and foreign sectors is also very important through the investment of their capital, especially in those fields that could ensure the achievement of the objectives envisaged in Repelita IV. For this purpose, various steps will be taken to ensure the smooth running of private capital investments such as steps involving procedures for the collection of funds and their accounts.

Permit me now to explain the main points of the 1984-85 fiscal budget bill, which will reflect the implementation of the 1st year of Repelita IV. "In formulating the 1984-85 fiscal budget bill, we continue to strictly observe the principle of a dynamic and balanced budget as envisaged in the State Basic Guidelines."

As I explained earlier, in order to continue and further step up development, we have no other choice than to intensify our efforts to increase revenues and government savings to finance the development.

In terms of revenue, as I have also explained earlier, during the 1984-85 fiscal year we cannot expect a large increase in oil revenues since the present world oil market makes this impossible. "Therefore, efforts should be made to increase revenues from the nonoil sector."

In terms of expenditures, we must endeavor to limit routine expenditures only to priority matters and only where it is impossible to avoid. We must also continue to promote the consciousness of our nation to heighten discipline in development. In other words, we must mobilize our resources and energy in the best, most effective, and most efficient way possible to achieve the objectives of development. Such discipline should not only be applied to government agencies, but also to the people as a whole.

Meanwhile, we must continue to be realistic. "Development should always be carried out in line with our capability. Therefore, our efforts to increase revenues and step up development must continue to be based on the realistic capabilities of our people."

Based on the aforementioned principles, "the fiscal budget for the 1st year of Repelita IV is planned to be more than 20.5 trillion rupiah, and under the dynamic balanced budget, the amount of expenditures will be the same as revenues." This constitutes an increase of 24.1 percent over the 1983-84 fiscal budget.

As in the previous fiscal budget, state revenues will consist of revenues derived from domestic sources and development revenues derived from foreign countries.

"Domestic revenue is estimated to reach more than 16 trillion rupiah, or an increase of 16.8 percent over the domestic revenue in the current fiscal year. The development revenue is estimated to reach more than 4.4 trillion rupiah, or an increase of almost 61 percent over the current revenue."

As in the previous state budget, expenditures will consist of routine and development expenditures. Routine expenditures are estimated to reach 10.1 trillion rupiah, or an increase of 38.8 percent. Development expenditures are estimated to reach more than 10.4 trillion rupiah, or an increase of 12.6 percent over current development expenditures.

"The 10.4-trillion rupiah development expenditures consist of rupiah financing, which amounts to almost 6.1 trillion rupiah, and foreign financing, which amounts to more than 4.3 trillion rupiah."

Although development expenditures are slightly more than routine expenditures and could be higher than the current development expenditures, expenditures derived from government savings will fall by 7.5 percent. This is due to relatively large routine expenditures since we cannot avoid an increase in certain routine expenditures.

We are no longer able to freely finance the development with the rupiah currency as we did during Repelita III. In order to enable us to secure a development budget of 6 trillion rupiah, we must continue to be careful and tighten our belts.

Honorable brothers and sisters, permit me now to explain the main points concerning domestic revenues.

With the enforcement of the new tax law, changes are necessary in the system we adopted to formulate domestic revenues. "Beginning with the 1984-85 fiscal budget, domestic revenues consist of two sources: The revenue derived from oil and natural gas sources and revenue from nonoil and nongas sources.

"Revenue derived from the oil and natural gas sector, which consists of an oil production tax and a natural gas production tax, is estimated to be more than 10.3 trillion rupiah, an increase of almost 17 percent over the current fiscal budget. Of the total, the oil production tax is estimated to reach almost 8.9 trillion rupiah, or an increase of almost 13 percent, while tax from natural gas production is estimated to reach almost 1.4 trillion rupiah, or an increase of 52 percent over the current tax revenue."

The revenue from Liquified Natural Gas [LNG] has increased sharply because of our capability to export more LNG with the completion of new LNG plants. This proved that our determination to exploit our natural gas resulted in increased state revenues, which we are spending for the welfare of the people through national development.

"The revenue from the nonoil and nongas sector is estimated to reach more than 5.7 trillion rupiah, or an increase of almost 17 percent over the current revenue. This revenue consists of income tax, tax on added value of goods and sale of goods, customs duty and import tax, export tax, and other taxes such as the Regional Development Tax [IPEDA], as well as nontax revenue.

"The income tax, which consists of individual income tax and corporation tax, is estimated to reach 2.451 trillion rupiah, an increase of 21.4 percent over the current fiscal budget. The taxes on added value of goods and luxury goods are estimated to reach 958 billion rupiah, an increase of 21.9 percent. The customs duty and import tax is estimated to reach 1.4 trillion rupiah, an increase of 1/3 and a further slight increase of about 3.1 percent. [as heard] The IPEDA and other taxes are estimated to reach almost 350 billion rupiah, an increase of almost 24 percent, and the nontax is estimated to reach 615 billion rupiah, an increase of 29.5 percent."

The estimate on the various tax increases was based on the increase in nonoil and nongas revenue, which can be further increased each year with the intensification of activities and the enforcement of the new tax law.

Although the enforcement of the new tax law is still in the transition stage, it is expected that the scope of the tax obligation could be further expanded to allow further increases in tax revenue. "Taking this opportunity, I wish to request that all of us, without exception, be fully aware of our obligation to pay taxes."

As in previous years, apart from the domestic revenue, there is also a revenue derived from foreign funds in the form of project aid and corporation funds.

"The total amount of foreign funds is estimated to reach more than 4.4 trillion rupiah, which is available to be used to finance development projects already agreed upon by both sides."

Honorable speaker, permit me now to explain routine expenditures. Routine expenditures consist of government employee expenditures, material expenditures, subsidies for the autonomous regions, payments of interest rates and repayment of loans and other routine expenditures involving subsidies for fuel, food, and so on.

"The grand total of government employee expenditures is estimated to reach more than 3.1 trillion rupiah, an increase of almost 23 percent over current expenditures. The major portion of expenditures will be used to pay salaries, wages, and pensions. This amounts to more than 2.3 trillion rupiah, or an increase of 25.8 percent over the current amount.

"The increase in this budget is relatively large because this year the government plans to increase the salaries [applause] and pensions of government employees and members of the Indonesian Armed Forces [applause]. The planned increase of salaries and pensions will be 15 percent [applause] over the current net income."

"The other routine expenditure is material expenditures, which are estimated to amount to more than 1.2 billion rupiah, an increase of 10 percent over the current amount. This amount is intended to support the performance of expanding government tasks in improving public service as well as improving the maintenance of development achievements."

Another routine expenditure is intended to subsidize the autonomous regions. "The total is estimated to reach more than 1.7 trillion rupiah, or an increase of 28 percent over the present amount. The total includes the allocation of expenses for recruiting more employees for the autonomous regions, recruiting more Inpres [presidential program] elementary school teachers, recruiting more medical personnel for public health centers [PUSKESMAS], and increasing salaries and pensions of civil servants in the autonomous regions.

"In the subsidies for the autonomous regions, a total of 48.2 billion rupiah is being allocated for Irian Jaya and 15.1 billion rupiah for East Timor. The funds specifically allocated each year for the Irian Jaya and East Timor Provinces showed our determination to continue to accelerate development in those regions to ensure a fair distribution of development throughout the country.

"Other routine expenditure is intended for paying loan interest and principal, which is estimated to reach more than 2.6 trillion rupiah. This amount increased at a relatively high rate compared with the current expenditure because of loans which are ready to be repaid and because of the difference in value of the rupiah currency resulting from the devaluation of the rupiah carried out by the government last year.

"The last group in routine expenditures is the subsidy for fuel and food. On the subsidy for food, we no longer allocate a budget for this for the 1984-85 fiscal year. This shows that the people obviously have been able to meet their basic needs for food on their own."

On the fuel subsidy, I think it is necessary to explain a number of basic problems, especially as they are very closely linked with our ability to allocate the development budget. The larger fuel subsidy we allocate, the smaller the amount allocated for development will be, and vice versa.

We have to ensure a sufficient supply of fuel to meet the daily needs of the people for individual consumption and to operate industry as well as services.

"During the 1984-85 fiscal year, the fuel demand will reach an estimated 27 billion liters. This figure shows a relatively high increase of more than 2 billion liters or about 8.5 percent more than the demand for this fiscal year.

"In order to turn out the total amount of fuel mentioned earlier, some 222.8 million barrels of crude oil are needed. Of the total, 189.2 million barrels are crude oil produced in the country, while almost 33.6 million barrels are imported. The imported crude oil is destined for an old oil refinery plant in Cilacap.

"We have secured part of the processed crude oil at a low price, while we have secured another part at the current price. The cheap crude is usually called prorata [in English] crude oil, while the latter is called in-kind [in English] crude oil."

In the agreement with the various oil contractors, it was agreed that part of the contractor's crude oil production should be put aside to be processed into fuel at a price far below the existing sale price of crude. This is what we call prorata crude oil.

For contractors operating under a working contract, 25 percent of the total crude oil output should be put aside to be processed into low-priced fuel. For contractors operating under the production-sharing contract, 25 percent of each contractor's crude oil share is to be put aside to be processed into fuel.

If a contractor operating under the production-sharing contract receives 15 percent of the total oil output, he has to put aside 25 percent of the 15 percent share. This means 3.75 percent of his total share is taken away to be processed into fuel oil.

In this way, contractors operating under a working contract put aside 25 percent of their crude oil output to be turned into prorata crude oil for further processing into fuel oil, while contractors operating under the production-sharing contract put aside 3.75 percent of their share for the same purpose.

Since the demand for crude oil to be processed into fuel keeps increasing and far exceeding the total of prorata crude oil allocated, the difference is secured from in-kind crude oil at the current crude oil market price.

Compared with the 1983-84 fiscal period, the total of prorata crude oil to be secured during the 1984-85 fiscal year will be much smaller. This means that we have to secure more in-kind crude oil. Since the price of the in-kind crude oil far exceeds the price of prorata crude oil, the budget for fuel oil will also increase sharply.

This is due to the change of status of the Caltex oil company from a contractor operating under a working contract to a contractor operating under the production-sharing contract since 28 November 1983.

Since Caltex, unlike the other contractors operating under the production-sharing contract, only gets a 12-percent instead of a 15 percent share under the new contract, the total of prorata crude oil to be put aside by Caltex will be 25 percent of its 12-percent share, which comes out to just 3 percent of its crude oil share.

Since Caltex is the largest oil contractor operating in the country, the reduction of prorata crude oil secured from Caltex has sharply reduced the grand total of prorata crude oil needed to be processed into fuel oil at a lower price. For this reason, we have to secure more expensive in-kind crude oil to meet the shortage.

Although the government has to pay more for crude oil for fuel consumption as a result of the change in Caltex' status, the change from a working contract to a production-sharing contract is obviously advantageous. For Indonesia, the change is a step forward in oil exploration. Under the production-sharing contract, we get more compared with the working contract. Under the production-sharing contract, the management of oil exploration is in the hands of Pertamina, while management under the working contract is in the hands of the contractors.

"With the change in the Caltex contract from a working to a production-sharing contract, the total amount of prorata crude oil we are to secure drops from 52.8 million barrels during the 1983-84 fiscal year to 25.1 million barrels during the 1984-85 fiscal year, while the total of in-kind crude oil increases from 130 to 164.1 million barrels.

"Therefore, fuel supply expenses will sharply increase compared with the current fiscal year, thus resulting in a sharp increase in the basic price of fuel per liter compared with the average sale price of fuel per liter at present. If no adjustment to the price of fuel is made, the total subsidy for fuel oil will inflate to 2.7 trillion rupiah. With a maximum sense of responsibility, let us think seriously about the consequences we are to face if the 2.7 trillion rupiah subsidy for fuel is not reduced.

"As I have said earlier, other routine expenditures such as salaries, wages, and pensions for government employees have to be raised. The subsidy for autonomous regions, interest payments, and foreign loans needing a large amount of the budget will be impossible or difficult to reduce. Therefore, if we do not reduce the subsidy for fuel, the amount of government savings will be sharply reduced. As a result, development expenditures will drop to just 8.3 trillion rupiah.

"This means that the development budget drops to 4 percent compared with the current fiscal development budget. Since part of the development expenditures consist of some 4.3 trillion rupiah worth of project aid, the rupiah financing for development will amount to only 4 trillion rupiah. This is a sharp decrease of 2 trillion rupiah or about 31 percent compared with the current fiscal year. This figure clearly will sharply slow our development growth with all its consequences. We not only will be unable to carry out new development projects, but we will also have to stop many projects now being developed.

"The other consequence is that part of the development projects financed under foreign loans cannot be continued due to the shortage of rupiah funds. This will not only bring projects to a halt, but will also make it difficult for us to secure foreign loans in the future due to our inability to utilize the already allocated funds. Foreign loans are a source of development financing to supplement the financing secured at home."

Since it will be impossible to reduce the amount of other routine expenditures such as the budget for government employees, material expenditures, subsidy for autonomous regions, and repayment of foreign loans, the only alternative is to reduce the subsidy for fuel oil if we are to continue with development.

"For this reason, I wish to ask the understanding of all quarters, especially of the honorable assembly. During the 1984-85 fiscal year, we will allocate 1.147 trillion rupiah for the fuel subsidy, an increase of 64.2 percent over the current fiscal budget."

Honorable assembly, I would now like to explain the development budget. As I said earlier, if we are concerned and are ready, we will definitely be able to continue our development by preserving priorities, and by concentrating on sectors which could further accelerate development, on activities to improve the welfare of the people, on projects to expand employment opportunities, and on efforts to increase the income of the majority of our people.

"Two years ago we succeeded for the first time in allocating a development budget over 1 trillion rupiah for a number of development sectors. During the 1st year of Repelita IV, we will be able for the first time in the history of our development to allocate 1.5 trillion rupiah to develop just one sector, namely the educational sector."

This reflects our common determination to implement the provisions of the 1945 Constitution, which stipulates that one of our national objectives is to give knowledge to the nation.

Other sectors which are to get a budget allocation of more than 1 trillion rupiah are: "The agricultural and irrigation sector, 12.4 trillion rupiah; the communications and tourism sector, almost 1.4 trillion rupiah; and the mining and energy sector, 1.3 trillion rupiah. Other sectors remain unchanged."

With the increased development budget, it is expected that the implementation of the 1st year of Repelita IV could further enhance and create favorable conditions for us to continue and accelerate implementation more freely in the future to achieve the objectives of Repelita IV.

Honorable assembly, we will pay greater attention to educational development since the problem of education is a difficult and peculiar problem for a country with a large population.

During the previous three repelitas, we concentrated our attention on the educational infrastructure at the elementary school level in our efforts to realize compulsory study for children between 7 and 12 years old.

At the end of Repelita I, only 63 of 100 school-age children could be accommodated at elementary schools. At the end of Repelita II, the figure increased to 80 out of 100 children. By the end of the current Repelita III, the figure will increase to 97 children. It is expected that by the end of Repelita IV, all school-age children between 7 and 12 years old, an estimated almost 26 million, will be able to be accommodated in the existing elementary schools.

At the junior high school level, only 60 out of 100 elementary school graduates could be accommodated in junior high schools at the end of Repelita I. At the end of the current Repelita III, the rate will increase to 74 out of 100 graduates. By the end of Repelita IV, the rate is expected to increase to 80 out of 100 elementary school graduates.

Every year we will continue our efforts to enable children and youths to receive a higher level of education. To meet development needs, we will also increase the number of vocational schools at all levels and further expand the capacity of higher educational institutes.

"After going through three repelitas, we have built more than 136,000 Inpres elementary school buildings, which are spread out everywhere. During the 1st year of Repelita IV, we will need only to add some 2,200 elementary school buildings, specifically to meet the needs in isolated areas."

Meanwhile, we will continue to pay attention to the welfare of teachers by building at least 60,000 houses for school principals and new teachers, especially in isolated areas. We will also print some 32 million copies of textbooks and produce 96,000 sets of sports equipment for elementary schools.

The other sector we are to pay greater attention to is agriculture. The achievements we have made so far in this sector need to be furthered. We will continue programs to increase rice production. We will develop paddy fields covering an area of 75,000 hectares. For this purpose, we will continue to develop and improve the irrigation network throughout the country.

Efforts will also be made to improve secondary crops, livestock, and fishery. We will also continue to increase plantation production by expanding palm oil plantations in Sumatera, West Java, Kalimantan, Sulawesi, and Irian Jaya, and by expanding pepper plantations in Sumatera, Kalimantan, and North Sulawesi. We will also launch an intensification program in cotton plantations in Sulawesi, West Nusatenggara, East Nusatenggara, East Java, and West Java, and similar programs in sugar cane plantations in Java and North Sumatera.

Meanwhile, to support economic growth we will continue to develop the communications sector. Apart from the maintenance and repair of tens of thousands of kilometers of roads and bridges, we will also construct hundreds of kilometers of new roads in various areas, including Irian Jaya. The purpose is to accommodate the increasing flow of traffic and open new areas.

We will also continue to improve the capacity of the railway, shipping, and air communications services by improving the infrastructure and facilities. We will also continue to expand the telecommunications and postal services.

As I said earlier, the other sector to get a budget allocation of more than 1 trillion rupiah is the mining and energy sector, especially for developing the electrification program.

"The important projects include continuing the development of the Bukitasam and Ombilin coal mines in Sumatera as part of the diversification of energy resources. In the petrochemical field, we will continue the development of the aromatic project in Plaju, South Sumatera, and the methanol project in East Kalimantan."

Meanwhile, during the first year of Repelita IV we hope to complete the development of a number of power plants in various areas.

"One of the biggest is the Suralaya Unit I steam-powered generating plant in Merak, West Java, which has a capacity of 400 megawatts. This plant will be using coal from South Sumatera as fuel as part of the diversification program of energy resources that could cut fuel oil consumption.

"During the 1984-85 fiscal year, we will complete a number of other power plants such as the Belawan Unit I and Unit II in North Sumatera, the Bukitasam in South Sumatera, Tarahan in Lampung, Gresik in East Java, Pontianak in West Kalimantan, Trisakti in South Kalimantan, and Ujungpandang in South Sulawesi." We will also continue to develop a number of power plants which we expect to complete in stages during Repelita IV.

"Among the biggest are the Saguling in West Java, which has a capacity of 700 megawatts; the Suralaya II in West Java with a capacity of 400 megawatts; the Gresik I and II in East Java with a capacity of 200 megawatts each; Cirata in West Java with a capacity of 600 megawatts; Mrica in Central Java; and other power generating plants such as (Makaru) in South Sulawesi, (Tenggari) in North Sulawesi, Bukitasam in South Sumatera, and Kamojang II and III in West Java."

With the development of large-scale power plants in both West Java and East Java, and by linking them through a network, we will have a coordinated electricity network in Java.

Apart from that, we will continue to pay greater attention to the growing power needs in the villages and for this purpose, during the 1984-85 fiscal year we will develop 1,000 power projects for the villages throughout the country.

"Under these circumstances, if at the end of the current Repelita II we will have more than 8,000-megawatt capacity of electric power throughout the country, by the end of Repelita IV the capacity will increase to more than 13,000 megawatts. Of the additional 5,000 megawatts, more than 1,000 megawatts will come from the use of coal as fuel, more than 1,400 megawatts will derive from hydroelectric power, and more than 200 megawatts will derive from the use of geothermal power."

Development of the additional infrastructure and facilities will thus pave the way for developing the industrial sector, which we will accelerate its growth during the upcoming Repelita IV.

"During the 1984-85 fiscal year, a budget of 650 billion rupiah will be allocated for the industrial sector. During Repelita III, we have made various efforts to strengthen the structure of the national industry by developing the downstream sector which can process raw materials into basic materials, semifinished, or finished materials for our own consumption as well as for export.

"To support the growth of agriculture and other development sectors, we have expanded and built new fertilizer and cement plants. In our efforts to support the machinery industry, which we will continue to develop during Repelita IV, we have also developed the iron and steel industry, especially in Cilegon.

"Several industrial projects earmarked for completion during the 1984-85 fiscal year are: the Indarung IIIB cement factory in West Sumatera with a production capacity of 600,000 tons per year and the Tonassa III cement factory in South Sulawesi with a production capacity of 500,000 tons per year.

"Likewise, we will complete the construction of the East Kalimantan II urea fertilizer plant with a production capacity of 570,000 tons per year, the Iskandar Muda urea fertilizer plant in Aceh with a production capacity of 510,000 tons per year and the (TSB) II Gresik fertilizer plant in East Java with a production capacity of 500,000 tons per year."

We will also continue to develop strategic industries such as the shipping, aviation, heavy machinery, and other industries which can support national defense and security.

Growing attention will also be paid to developing small industries and handicrafts by consistently providing technical, organizational, and managerial guidance, skill and private enterprise training, education and training, aid in the form of facilities, and basic materials, expertise, marketing, and so on.

To support growth in the industrial and agricultural sectors, and development in general, we will continue to accelerate activities in the fields of science, technology, and research.

"During the 1984-85 fiscal year, a budget of almost 204 billion rupiah will be allocated for this sector -- an increase of almost one third over the budget allocation for this sector during the current fiscal year."

Since the objective of our development is to improve the welfare of the people, developments in that sector will be continued further. In the area of people's housing and the improvement of homes, for example, a budget of almost 433 billion rupiah will be allocated for the 1984-85 fiscal year.

"During Repelita III, we have built more than 174,000 units of housing. During Repelita IV, we will build 300,000 units."

If 4 out of 10 people now have access to clean water, by the end of Repelita IV, 8 out of 10 will have access to clean water.

The barometer of progress in development is also reflected in the improvement of public health. Efforts toward improving this sector will also be continued and expanded further. Thanks to progress in the development and improvement of the health sector, the death rate among infants and preschool children has continued to drop since Repelita I and will continue to fall during Repelita IV, while the average life expectancy of our people increases.

"At the end of Repelita II, the average life expectancy of our people was 52 years, but by the end of Repelita III this had increased to 56 years. By the end of Repelita IV it will further increase to an average of 59 years."

Meanwhile, we will continue to make other efforts to further improve the welfare of the people, such as intensifying the transmigration program, expanding the cooperative movement, and so on.

"During the 1984-85 fiscal year, a budget of almost 577 billion rupiah will be allocated to resettle 125,000 families from Java to other regions which have been prepared for resettlement.

"For development in the cooperative sector, a budget of almost 52 billion rupiah is being allocated for education, training, guidance, and the improvement of cooperative management so that the cooperative movement can become a reliable economic force for the people by the end of Repelita IV.'

Efforts toward the fair distribution of the development and at the same time toward further stimulating development in rural areas will be continued through various programs known as the Inpres.

"During the 1984-85 fiscal year, a budget of 1.3 trillion rupiah is being allocated for the entire Inpres programs. For the village Inpres program, a budget of almost 93 billion rupiah is being allocated, slightly higher than the present budget because the number of villages has increased."

"The budget under the Inpres program for districts also increased to almost 202 billion rupiah, like the previous year, every two persons of the population receive 1,150 rupiah worth of aid and the minimum aid for the first-level district amounts to 260 million rupiah."

In order to further improve the public health service, development in the health sector under the Inpres program will also be continued. More than 93 billion rupiah will be allocated. Like last year, 250 rupiah per capita in the form of medicine supply will be allocated for the rural areas.

Meanwhile, we will set up 100 new public health centers, 1,500 supporting health centers, 500 mobile public health centers and rehabilitate 2,500 health centers and supporting centers. We will also build not less than 700 houses for physicians and other paramedical personnel, especially in isolated areas.

In order to further enhance economic growth and the fair distribution of development funds, we will continue to provide more employment opportunities in the government as well as in the private sector. To meet the requirements of development, manpower must have the required skills. For skill training for the young generation, a budget of more than 96 billion rupiah is being allocated during the 1984-85 fiscal year.

As a whole, during the first year of Repelita IV we will continue to do our best to ensure a fair distribution of development, to further enhance economic growth and to strengthen national stability.

"In this connection, one problem which we cannot afford to ignore to ensure national integrity and security is development in the defense and security sector. During the 1984-85 fiscal year, a budget of almost 698 billion rupiah is being allocated to continue the modernization of the Indonesian Armed Forces which we will continue to expand in the context of the total people's resistance doctrine."

Honorable Assembly. That is a general picture of what we are going to do during the first year of Repelita IV.

Apart from the participation of the entire people with full consciousness and responsibility, one factor which is no less important to ensure the success of our efforts is to establish a clean, authoritative, and dedicated administration that will be able to perform its tasks with skill.

We will further enhance the progress of our national development by strengthening national unity and cohesion, by reinforcing national and social solidarity, by further improving the social foundations, religious faith and morality, humanism and ethics, by enforcing just and authoritative laws, and by developing political life and democracy.

By doing this, we will be able to lay a strong and firm foundation for development.

Honorable speaker: These are the main points of the budget bill for the 1984-85 fiscal year, which I formally present to the honorable assembly today. We can see that we will enter Repelita IV with heavy challenges and trials.

At home, we have mobilized our knowledge and capabilities with a spirit full of consciousness to continue development. However, as a member of the world community, which is being plagued by crises in various fields, our nation, willingly or unwillingly, feels the impact of the such crises. This is hampering the progress of our national development.

The world's economy has not yet fully recovered. If there are signs of economic recovery in some of the industrialized countries, it is merely an indication of the beginning of a world economic recovery. We must follow developments closely to prevent us from being too optimistic.

Since there is still no improvement in the world economic structure which could ensure the stability and growth of a fair world economy for all nations and countries, we must mobilize all our capabilities to enable us to surmount all obstacles. We have to consistently improve all sectors and fields to enable us to achieve maximum national effectiveness and efficiency.

We must further increase state revenues from nonoil and nongas commodities. Although we have made the best use of our oil and natural gas resources to further enhance development so far, our dependency on oil and gas revenues involves anxieties.

Likewise, we have to continue our efforts to further promote nonoil and nongas exports because our dependency on foreign exchange revenues derived from oil and natural gas also involves anxieties. These are facts which we have to face with a realistic attitude.

"If, during the first year of Repelita IV, we will be able to maintain domestic revenue at the rate of 79 percent of the total state revenue and the foreign funds at the rate of 21 percent by stepping up national productivity and discipline and through hard work, we will be able to become self-reliant in financing so that we will be able to increase our domestic revenue to 82 percent and to reduce foreign funds to 18 percent during the final year of Repelita IV.

"Likewise, if during the first year of Repelita IV, state revenue from the oil and natural gas sector constitutes 64 percent of the domestic revenue and 36 percent from the nonoil and nongas tax, during the final year of Repelita IV we will try to make the ratio of the oil and natural gas revenue reach 55 percent and the nonoil and nongas revenue 45 percent.

"If during the first year of Repelita IV, the oil and natural gas export value forms 71 percent of our total export value and the nonoil and nongas export amounts to 29 percent, during the final year of Repelita IV, the ratio of oil and natural gas export value is expected to become 65 percent and the nonoil and nongas export 35 percent."

With a realistic attitude and by looking forward to a future full of hope and by reinforcing the fighting spirit, we will be able to complete and achieve the objectives of the first year of Repelita IV with success.

From this forum, I call on all ranks of the government and Armed Forces personnel, all sociopolitical and public organizations, all faithful religious, all workers and farmers, traders and businessmen, intellectuals, all women, youths and students, the press circles, in short, all levels of all generations, to work hard shoulder to shoulder and concentrate our attention on the implementation of the first year and all of Repelita IV in the best possible manner and with a maximum sense of responsibility. With all this, there will be no obstacles which we cannot remove and no difficulties which we cannot overcome.

I wish to extend my sincerest thanks to all members of the honorable assembly, who have followed my explanations with patience. It is my hope that, with close cooperation between the government and the honorable assembly, we will be able to complete the formulation of the budget for the first year of Repelita IV on time.

**BUSINESSMEN URGE MARCOS TO 'HEAD OR LEAVE'**

HK140241 Manila BUSINESS DAY in English 13 Jan 84 p 4

["Message to Marcos" by the Businessmen's Committee for Reconciliation: "Lead Us or Leave Us"]

[Text] In late October, we issued an article entitled "The Problem, Mr President, Is Political Not Financial" Which was published by the BUSINESS DAY, ASIAN WALL STREET JOURNAL, BULLETIN TODAY, and MR. & MS. In that article, we propounded that the financial crisis which the president was so concerned about was not the real problem, but was merely the consequence of long-festerin political complications spawned by 11 years of one-man rule and finally unleashed by the Aquino assassination.

We emphasized that the problem would not be solved if the president insisted on attempting to cure the symptoms (financial) rather than the disease (political), and we proposed a three-step approach towards a solution. Step one was the restoration of public confidence in the investigation of the Aquino assassination; step two was the resolution of the issue of presidential succession in a credible manner; and step three was the acceptance of various proposals to form a National Council for Reconciliation.

What progress, if any, has been made in the intervening 11 weeks? In general, reasonable progress has been made with respect to step one and step two. (Regrettably, however, we note that such progress has been achieved only after vocal and insistent public demand, and only with the grudging acceptance rather than the enthusiastic leadership of the president).

The unpopular Fernando Commission has been replaced by the Agrava fact-finding board and although the hearings have been moving at a painfully slow pace, the public at least seems to remain open-minded about the integrity of the board and its determination to get at the truth. Unfortunately, it will probably take many months before the hearings are completed and it is impossible to determine at this stage what the ultimate outcome will be.

The issue of presidential succession, on the other hand, appears to have been resolved to the satisfaction of enough people (though clearly not of everyone, particularly certain segments of the political opposition). While a larger majority would have favored holding elections for a vice-president in May 1984, the compromise solution of having the speaker of the Batasan act as president in a caretaker capacity in the event Mr Marcos departs from the scene between now and 1987, is clearly preferable to the present procedure of having a factionalized collegial body such as the Executive Committee assuming the powers of the presidency. In any case, the immediate concern that Mrs Marcos would attempt to succeed her husband appears to have been temporarily resolved now that she has resigned from the Executive Committee and adequate safeguard provisions have been included in the proposed succession amendment.

The same degree of progress, however, cannot be cited with respect to step three. In fact, other than stating publicly that he does not object to having a National Council for Reconciliation provided he reserves the right to make the final decisions, the president has not lifted a finger in response to the various proposals to form such a council. In the process, the widespread public clamor for fundamental political and economic reforms has remained largely unattended to, at the very moment when such reforms are urgently needed to restore public confidence and unify the nation.

Not only has the president failed to take positive steps toward reconciliation, but to make matters worse, he has repeatedly gone out of his way to sow the poisonous seeds of disunity among various sectors of society.

He started off in November by completely ignoring the well-meaning suggestions for political and economic reforms presented by the broad-based Philippine Business Conference. Rather than responding positively to the businessmen's suggestions, the president angrily accused them of hoarding, smuggling, dollar-salting and a host of other economic crimes; to top things off, he even blamed the businessmen for the present financial crisis. He followed this up in early December by dismissing dire warnings from businessmen that there would be massive layoffs in early 1984; he assured the public there would be no layoffs and that "with a little prayer, we will have all the dollars we need by Christmastime." When it soon became evident that the desperately needed dollars were not forthcoming, he began publicly accusing the business sector of deliberately laying off thousands of workers instead of responding to his appeal to repatriate the dollars they have salted abroad.

To compound matters even further, the president announced just before Christmas that "secret documents seized from the communists" indicated that "the church and the rich" were plotting a conspiracy to take over the reins of government. He again followed this up with a public statement (while pointedly distributing Christmas gifts to indigent families) that the rich were trying to remove him from power in order to prevent him from helping the poor, a familiar line which, perhaps not incidentally, Mrs Marcos has been harping on loudly since the assassination.

For the president to be conducting himself in such unseemly fashion and to be making such unwarranted, if not ridiculous statements at a time when the nation is in the throes of unprecedented political and economic crisis is, to say the least, inappropriate. Clearly, these are times which cry out for statesmanlike and heroic leadership which will reconcile the various sectors of society with one another rather than create further disaffection and disappointment, or sow dissension and hatred among the people.

We have not advocated the resignation of Mr Marcos in the past because we have always believed that such an extreme measure ought to be considered only as a last resort. In particular, we have always believed that Mr Marcos ought to be allowed every opportunity to redeem himself and to secure his much vaunted place in Philippine history by exercising the strong and courageous leadership that is essential in order to institute the fundamental economic and political reforms without which this nation will be unable to extricate itself from its present crisis. And despite his exasperating behavior during the past 11 weeks, we stubbornly cling to the belief that ultimate reconciliation remains possible if Mr Marcos would only place the interests of the nation above his own hubris and personal ambition. In fact, all it will take to get the process started is for him to respond positively and sincerely to the repeated proposals from responsible sectors to form a National Council for Reconciliation.

But if the president persists in making a spectacle of himself not only by continuing to turn a deaf ear to the public outcry for reconciliation and reforms, but also by going out of his way to mislead and confuse the people in a futile attempt to "divide and rule," then we must remind Mr Marcos that by so doing he is effectively forfeiting his so-called "covenant with the people." And if he is indeed unwilling or unable to lead the Filipino people out of the present crisis into which he has almost single-handedly led them, then even those of us who have been advocating reconciliation will be compelled to join the ranks of those who have been agitating for his resignation. The patience of the people will not last forever, and it is time for Mr Marcos to heed our simple message: LEAD US or LEAVE US!

ASIAN DEVELOPMENT BANK AUTHORIZES \$50 MILLION

HK160857 Quezon City Maharlika Broadcasting System in English 0800 GMT 16 Jan 84

[Text] The Asian Development Bank [ADB] today authorized an accelerated disbursement of \$50 million to the Philippine Government. The disbursement will come from current loans to the Philippines. The \$50 million to be disbursed represents a part of the loan proceeds meant to be disbursed in the course of 1984. ADB President (Marsal Hujilopez) said the action was in accord with bank's objectives and procedures. He said the accelerated disbursement would be specially helpful at this time in the view of the Philippine Government's need for foreign exchange to maintain essential import.

CAWIGAN DENIES DEAL FOR TESTIMONY IN AQUINO PROBE

OW131347 Quezon City RPN Television Network in English 1300 GMT 13 Jan 84

[Text] Rosendo Cawigan, the former Aquino bodyguard turned underground government agent, today denied allegations he was promised a banana plantation concession in Davao for his testimony before the Agrava fact-finding board. The allegation was made by lawyer Raul Gonzalez. Cawigan said he would file a libel suit against Gonzalez. Cawigan said he saw Gonzalez only once when he testified before the Agrava board last 2 October. In his testimony, Cawigan said the Communist Party ordered the execution of Aquino last 21 August and that Rolando Galman, who was tabbed as gunman, was an NPA commander.

MARCOS DECORATES ROMULO ON RETIREMENT

OW141542 Quezon City RPN Television Network in English 1100 GMT 14 Jan 84

[Excerpts] Foreign Minister Carlos P. Romulo retired today on his 85th birthday and was honored by President Marcos, who conferred on the general the country's first Hero of the New Republic Award.

Upon recommendation of the board of generals of the Armed Forces, the president also promoted Romulo from brigadier general to major general. Details now on today's award to Romulo for outstanding service to the nation spanning three generations, from Frank Abao, Jr.

[Begin recording] [Video shows ceremony scene] [Abao] Today's ceremony at the ceremony hall of Malacanang highlighting the foreign minister's service to the people was attended by more than 1,000 Romulo admirers, including members of the diplomatic corps; the Cabinet, led by Prime Minister Cesar Virata; the Batasang Pambansa, led by Speaker Querube Makalintal; the judiciary, headed by Supreme Court Chief Justice Enrique Fernando; and personnel of the Foreign Ministry and others. The ceremony followed a mass officiated by no less than the papal nuncio, Monsignor (Bruno Toplani), dean of the diplomatic corps.

Afterwards, the president and the first lady and Human Settlements Minister Imelda Marcos honored the retired awardee and Mrs Beth Day Romulo at breakfast at the Heroes Hall of the palace. The president describes Romulo not only as an institution, but a legend in his time.

[Marcos] It is as if the man wants to be sure that he will bequeath his life's work and passion to a worthy inheritor.

But we are all inheritors of this institution, which carries the human face. At least three generations of Filipinos, from the Commonwealth days to the days of our new republic, owe a debt of gratitude to this man for his long, faithful and fruitful service to his people and his native land. His service traverses the entire range of humanity, for he stood like some kind of biblical or mythological colossus, this nickel among dimes in the various states of the world. His friendships and associations read like a historical account of the modern world, from the war-torn and victorious years of the 40's, the cold war conflicts of the 50's, the youthful revolutionary years of the 60's, the emergency and democratic revolutionary years of the 70's, and the crisis under nuclear nightmarish years of the 80's.

He steps down from the podium of prominence, this old soldier who will not fade, as the world enters a new year. General Romulo will not fade because his council will always be with us and at our command, for the interests of the Philippines are ever -- (?it would be) his words -- are in his mind. [applause]

[Abao] The citation for the award, -- the first in its kind, and which the president said had to be established as a fitting reward to Romulo, who has already received the country's other high awards -- was read by (Manual Collantes) who, upon Romulo's retirement, became acting foreign minister. In his tearful and emotional remarks, Romulo, with his wife Beth beside him, paid his own tribute to the president.

[Romulo] I want to say that (?I have) 60 years of intimate relationship with our president. Only last month I wrote an article about him. And I said that he is the quintessential Filipino. I repeat that today. In all my experience, I can say honestly, and sincerely that Ferdinand E. Marcos is the quintessential Filipino. And whatever may be the political defects and the political shortcomings that he may have -- as all leaders in the world must have -- we must remember him as the quintessential Filipino. [applause]

[Abao] The Bayani Ng Bagong Republika, whose first awardee was Romulo, is to be conferred by the president on Filipino citizens who have rendered distinguished life-long services to the nation and, in so doing contributed in an outstanding manner unique in their fields or careers to the growth dignity and lasting sovereignty of the nation, in keeping with the patriotic tradition that led to the formation of the Filipino community and the aspirations that brought forth the new republic. [end recording]

#### OPPOSITION GROUPS URGE BOYCOTT OF PLEBISCITE

##### Pair To Ignore Polling

0W131229 Paris AFP in English 0811 GMT 13 Jan 84

[Text] Manila, Jan 13 (AFP) -- Two Philippine opposition groups have called for a boycott of the January 27 plebiscite on major constitutional changes restoring the vice presidency and restructuring the parliamentary election framework.

The Justice for Aquino, Justice for All (JAJA) movement -- named after slain opposition leader Benigno Aquino -- also virtually called for a boycott of the May National Assembly election by raising seven demands seen by some observers as impossible for the government to meet. The other group, the Mindanao Alliance, based in the country's second largest island, said that any opposition party that participated in the plebiscite would become a "collaborator" of President Ferdinand Marcos.

The opposition is split between camps that advocate an electoral challenge to the 18-year-old Marcos regime, and those pressing for a boycott of the plebiscite and elections, claiming that there could be no fair polls under Mr Marcos. If there is a "yes" vote in the plebiscite, the vice presidency abolished in September 1972 when Mr Marcos imposed martial law (which he lifted in 1981) would be restored, and National Assembly members would be elected by provinces instead of larger regions.

The mass-based JAJA, which mushroomed into a national group in the highly-charged aftermath of the Aquino murder, said that "as long as the government stays in power, the people will lose, regardless of the results of the elections." JAJA is demanding the regime's resignation over the still-unsolved Aquino murder.

#### Constitutional Reform Sought

OW141245 Hong Kong AFP in English 0758 GMT 14 Jan 84

[Text] Manila, Jan 14 (AFP) -- A Philippine nationalist group is calling for a boycott of the January 27 plebiscite on major constitutional amendments and is demanding that the 1973 Constitution that took effect during martial law be "scrapped," according to a statement received here today.

The Movement for Philippine Sovereignty and Democracy (Kaakbay), a group of professionals and activists led by former Senator Jose Diokno, said the proposed amendments covering presidential succession and a new voting system for the National Assembly were "superficial." If voters approve the proposals, the vice presidency abolished in September 1972 when President Ferdinand Marcos imposed martial law would be restored, and assemblymen would be elected by provinces instead of much larger regions. Martial law was lifted in 1981.

However, Kaakbay said the "really objectionable" parts of the Constitution were those that empower the president to make laws by decree whether parliament was in session or not, to appoint top government and military officials without parliamentary approval, and to abolish parliament itself. "The amendments proposed will apply a little cosmetic surgery to the 1973 Constitution," Kaakbay said in the statement, "Do not participate in the January 27 plebiscite. Insist that the 1973 constitution be scrapped, not just amended."

Previous amendments, Kaakbay pointed out, also allowed the president to summarily order the detention of anybody and to declare martial law without judicial review, and exempted him from prosecution for any crimes committed by him or officials acting on his orders.

#### Labor Party Backs Boycott

OW141406 Quezon City RPN Television Network in English 1100 GMT 14 Jan 84

[Text] The Labor Party of the Philippines has called on the nation to repudiate the general 27 January plebiscite as a neocolonial exercise. According to the Labor Party, the coming plebiscite is designed to protect and promote American and other exploitative foreign interests in the Philippines. According to the Labor Party, all four proposed constitutional amendments are irrelevant to the economic and political crises plaguing the country today.

### KBL Stops Activities

OW141408 Quezon City RPN Television Network in English 1100 GMT 14 Jan 84

[Text] There will be a temporary stop to all political activities of the KBL [Kilusang Bagong Lipunan]. This moratorium was ordered today by President Marcos to enable the people to concentrate on the issues in the forthcoming 27 January plebiscite on charter changes.

Still on the elections, the people are assured of a free, honest, and clean election for Batasang members in May. This assurance comes from Armed Forces Chief General Fabian Ver, who spoke before officers of the Presidential Security Command at Malacanang Park. In his speech, Ver also warned military personnel against electioneering. Ver directed all field commanders to support and cooperate with Comelec [Commission on Elections] officials in their respective areas to ensure that the coming May elections will be peaceful and orderly. Ver said he will hold military field commanders responsible for the honest and peaceful conduct of the election in their areas.

Meanwhile, Makati Nemesio Yabut has pledged his full support and full participation in the efforts of the National Citizens' Movement for Free Elections, or Namfrel, to ensure clean, honest, and orderly polls in May this year. Yabut offered to provide volunteers to Namfrel complete with tally boards and sheets, tabulators, and other paraphernalia needed for recording and tallying election results. Yabut even volunteered food for volunteers on election day.

### Comelec Deputizes Armed Forces

OW151356 Quezon City RPN Television Network in English 1300 GMT 15 Jan 84

[Text] The Commission on Elections [Comelec] has deputized the Armed Forces to help keep the January 27 balloting free, peaceful, and orderly. This is part of the security measures normally adopted by the poll body in preparing for any political exercise. In another move, the Comelec also today ordered the filing of charges against five persons for voting twice in the 1982 barangay elections. Comelec Chairman Vincente Santiago said the offense is punishable by 1 to 6 years' imprisonment in addition to disqualification of the guilty from holding public office and the privation of his right to vote.

### MARCOS SUPPORTS RETAINING MILITARY IN CIVILIAN JOBS

OW151358 Quezon City RPN Television Network in English 1300 GMT 15 Jan 84

[Text] Better qualified military officials are better retained in their present civilian posts. President Marcos said today he prefers it this way to promote the highest degree of efficiency in government service. Meanwhile, Armed Forces Chief General Fabian Ver clarified that his earlier order recalling military personnel assigned to various civilian offices does not affect those who are appointed by the president himself.

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17 Jan 1983

